

Representative Dori Hauck
District 36
2461 81st Ave SW, Hebron, ND 58638
February 17, 2025

HB1465

Chairman Headland and Members of the Finance and Tax Committee,

Representative Dori Hauck from District 36. I bring to you today HB1465, a bill that aims to allow local charitable organizations the ability to give more back to their communities. This bill is only a few lines long and will make a significant difference for our ND communities.

Here are just a few examples of the communities that I visit and the positive impact of charitable gaming. After attending an angus bull sale in the New England area, we stop at the The Pub in Gladstone for supper. Headed through Richardton after helping friends run their entire cattle herd through for spring branding, I stop by Ranchers to grab a pizza. And of course we head into The Brick in Hebron for Thursday burger nights. Those locations all provide rental space to charitable organizations for gaming opportunities. In turn, these organizations make financial contributions to a wide variety of projects and causes.

Organizations providing charitable gaming are required to spend a portion of the proceeds for charitable purposes. Projects and causes range widely: volunteer fire department equipment, youth sports equipment, \$500 in prizes for the After Prom party, scholarships for summer camps, \$3,000 for childcare toys and supplies, \$10,000 for a nursing home upgrade, and \$50,000 toward the construction of a new daycare. Every community has unfunded needs and this bill allows more of the proceeds to remain in these communities.

A gaming tax is assessed on adjusted gross proceeds and is paid quarterly to the ND Attorney General who oversees the Gaming Division. The gaming tax is assessed on the adjusted gross proceeds which is defined in 53-06.1-01 as gross proceeds less cash prizes and cost of merchandise prizes. Century Code states less than \$50,000 adjusted gross proceeds will be assessed a 1% gaming tax. Those \$50,000 and over are assessed a 12% gaming tax.

Which brings me to the proposed changes:

Section 1 a. which starts on Line 11 increases the first tier from \$50,000 to no more than \$150,000 is assessed a tax of 1%.