

SENATE JUDICIARY COMMITTEE
TESTIMONY OF DEB MCDANIEL
OFFICE OF ATTORNEY GENERAL
HOUSE BILL NO. 1615

The intent for Charitable Gaming is for a Charity to conduct a privileged activity given to them by the legislative body to help support their primary purpose.

This is not a "profession" and is not a "business" this is a privileged for only nonprofit charitable organizations to conduct to help support the nonprofits primary purpose. There is no reference in century code to allow for this to be a business contract or business deal with any site or for-profit business. If charities start making "deals" with site owners than the site owners are dictating who, what, where and when gaming can be conducted. This would then become part of the business plan of the site owner and will take away the charities ability to determine what would be most profitable for the Charity.

The only reference in century code is the maximum amount of rent a charity can offer to a site owner. This office, by Administrative Rule, requires a "Rental Agreement" to be completed after a city or county has issued a site authorization outlining who, what, where and when gaming can be conducted in their jurisdiction. The "Rental Agreement" is only necessary to verify that a charity is not paying more than the maximum amount per law. There is no "lease agreement" or "contract" allowed as charitable gaming is not part of a sites business. The city/county is not required to ask for or review any rental agreement. If this is changed that it would become the city/county responsibility to review all rental agreements to ensure that the charitable organization is not paying over the maxim allowed. This is our offices responsible and is verified through the audit process.

The organization gets licensed by the state to verify that the organization is eligible to conduct per statute and then the city/county authorizes that the charity may conduct in the jurisdiction. There is nothing in century code that states that an agreement must be made by the site owner and charity, or that the city has any agreement with the site owner and the city/county. The site should have nothing to do with how gaming is to be conducted. The site can say whether or not they wish to have gaming, and the site may request a certain purpose to be conducted in the site, but gaming cannot be part of the "business plan" of a site. The site must be able to operate separately and individually from the charitable gaming organization.

It is very important to not have a for-profit business to be given the authority to determine who, what, or when gaming can be conducted as it then blurs the line of a for-profit gaming business activity or a nonprofit gaming privilege.