

2025 SENATE JUDICIARY

SB 2334

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2334
1/28/2025

Relating to the definition of alcoholic beverage establishment for purposes of conducting gaming.

10:47 a.m. Chair Larson opened the hearing.

Members present: Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Tap room
- Brewery
- Charitable gaming conducts
- 501-21 brewer taproom
- Site limitation

10:48 a.m. Senator Gerhardt, District 34, introduced the bill.

10:53 a.m. David Duma, Owner of Gideon Brewery, testified in favor.

10:56 a.m. Deb McDaniel, Director of Attorney General's Office testified as neutral.

11:03 a.m. Chair Larson closed the hearing.

11:11 a.m. Senator Myrdal moved a Do Pass.

11:11 a.m. Senator Luick seconded the motion.

Senators	Vote
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Ryan Braunberger	Y
Senator Jose L. Castaneda	Y
Senator Claire Cory	N
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion passed 6-1-0

Senator Braunberger will carry the bill.

Additional written testimony:

Joe Christianson, Executive Director, Fargo Youth Hockey Association submitted testimony #31703 in favor.

Rick Brandvold, President, Icewind Brewing, submitted testimony #31772 in favor.

Scott Meske, Lobbyist, North Dakota Gaming Alliance, submitted testimony #31999 in favor.

11:12 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2334 ([25.1274.02000](#))

Judiciary Committee (Sen. Larson, Chairman) recommends **DO PASS** (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2334 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

January 26th, 2025

The Fargo Youth Hockey Association's entire mission is to make hockey available to everyone in our community. The cost of hockey should not be a barrier to entry. As we look for ways to break down that wall, we look to charitable gaming. Brewhalla in Fargo is considered a taproom, but it is much more than that. We had sent in our application in December after the city of Fargo approved our site authorization only to learn shortly after that the State denied it because of the liquor license. The facility itself is one of a kind. Shops, restaurants and more in this one large, state of the art facility. We thank you for considering refining the language of establishments eligible for conducting gaming to include taprooms like Brewhalla. The impact it would have on our association and members of the Fargo hockey community would be so great.

Joe Christianson

Executive Director

Fargo Youth Hockey Association

I am Rick Brandvold, president of the ND Brewers Guild and co-founder of Icewind Brewing in Mapleton, ND. I'm advocating for the ability of North Dakota taprooms to participate in charitable gaming and support SB 2334.

Here's why:

- Breweries are already deeply involved in their local communities. They frequently host events, support local causes, and partner with other small businesses; charitable gaming is another tool in these efforts.
- Breweries champion the "local" movement. They source ingredients locally, hire local residents, and create unique spaces for community members to gather. Allowing them to continue participating in charitable gaming reinforces this commitment to localism, and taking it away weakens that connection.

There are nine licensed taprooms in North Dakota. From a common sense standpoint, a taproom is an alcohol beverage establishment, and it should be included in that definition to be a charitable gaming site.

We would appreciate a DO PASS recommendation on SB 2334



Benefiting North Dakota Communities through Charitable Gaming

Testimony in SUPPORT of Senate Bill 2334

January 28, 2025

Madam Chair Larson and Members of the Senate Judiciary Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the 178 Members of the NDGA, we offer our support for Senate Bill 2334.

SB 2334 corrects an oversight from last session when many of us worked on the definition of "alcohol beverage establishment" for the purposes of charitable gaming. Taprooms, by definition, are in a different part of the Century Code than was referred to by the legislation passed (SB 2304). There are nine (9) taprooms licensed in ND, under NDCC 5-01-21. By any stretch of the common sense definition, taprooms are alcohol beverage establishments.

That said, there is some testimony following me, who can answer directly how including the taproom definition into the gaming code, would not only make sense, and correct an oversight, but also give you a sense of how entrenched these small businesses are an integral part of their respective communities. This is in no way an attempt to expand the definition we crafted last session, but to correct an oversight.

Thank you to Senator Gerhardt, who has two taprooms in his district, for bringing this bill forward.

We respectfully ask for a DO PASS on Senate Bill 2334.

2025 HOUSE POLITICAL SUBDIVISIONS

SB 2334

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2334
3/20/2025

A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-01 of the North Dakota Century Code, relating to the definition of alcoholic beverage establishment for purposes of conducting gaming.

9:14 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Representative Davis

Discussion Topics:

- Gaming in taprooms and brewpubs
- Licensing of taprooms for charitable gaming

9:15 a.m. Senator Justin Gerhardt, North Dakota Senator for District 34, introduced the bill and provided testimony #43239.

9:19 a.m. Scott Meske, North Dakota Gaming Alliance, testified in favor and provided testimony #43165.

9:24 a.m. Deb McDaniels, Director for the North Dakota Gaming Division under the Office of the Attorney General, answered committee questions.

9:28 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk



Benefiting North Dakota Communities through Charitable Gaming

Testimony in SUPPORT of Senate Bill 2334

March 20, 2025

Chairman Longmuir and Members of the House Political Subdivisions Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we offer our support for Senate Bill 2334.

SB 2334 corrects an oversight from last session when many of us worked on the definition of "alcohol beverage establishment" for the purposes of charitable gaming. Taprooms, by definition, are in a different part of the Century Code than was referred to by the legislation passed (SB 2304). When this bill was introduced in January, there were 9 taprooms licensed in North Dakota under NDCC 5-01-21. Since then, we've lost two taprooms along with two brewpubs. It's a tough time to be in the craft beverage industry. While allowing charitable gaming will not solely save these small businesses, it might help. By any stretch of the commonsense definition, taprooms are alcohol beverage establishments.

These small businesses are an integral part of their communities. If you peruse their social media pages, you'll find they regularly are giving back to their communities and the organizations within those communities. This is in no way an attempt to expand the definition we crafted last session, but to correct an oversight.

Thank you to Senator Gerhardt, who has two taprooms in his district, for bringing this bill forward.

We respectfully ask for a DO PASS on Senate Bill 2334.



North Dakota Senate

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Senator Justin Gerhardt

District 34
Mandan, ND 58554
jgerhardt@ndlegis.gov

COMMITTEES:

Education
Energy and Natural Resources

3/20/25

Good morning, Chairman Longmuir and members of the committee. For the record, Justin Gerhardt serving District 34 in Mandan.

Today you have before you SB 2334. This bill simply would include taprooms to have the ability to conduct charitable gaming. North Dakota has a Brewer Taproom License which is an annual license that allows the manufacturing and sale of beer products at a specific licensed premises. Currently, if I understand correctly, there are now seven licensed taprooms in the state, two of which are located in my district. I bring this bill forward because I believe that taprooms meet the description of an "Alcoholic beverage establishment" but have been inadvertently left out of the definition in section 53-06.1-01 of the century code, as the licensing for taprooms falls under a different chapter than typical alcoholic beverage establishments. This bill will correct that.

There are people behind me that know this issue much better than I. Thank you Chairman Longmuir and committee members. If you do have any questions for me, I'd be happy to try to answer them.

5-01-20. Direct sale by licensed wineries.

1. A licensed winery that produces no more than twenty-five thousand gallons [94635 liters] of wine per year may sell and deliver, onsite or offsite, the wine produced by the winery directly to licensed retailers. The licensed winery may sell and deliver wine onsite to a licensed retailer who presents the retailer's license or a photocopy of the license. The winery may deliver the wine offsite if the winery:
 - a. Uses the winery's equipment, trucks, and employees to deliver the wine;
 - b. Contracts with a licensed distributor to ship and deliver the wine to the retailer; or
 - c. Contracts with a common carrier to ship and deliver the wine to the retailer directly from the winery or the winery's bonded warehouse.
2. The shipments delivered by a winery's equipment, trucks, and employees in a year may not exceed four thousand five hundred cases. A case may not exceed 2.38 gallons [9 liters].
3. Individual shipments delivered by common carrier may not exceed three cases a day for each licensed retailer. The shipments delivered by a common carrier in a year may not exceed three thousand five hundred cases. A case may not exceed 2.38 gallons [9 liters].

5-01-21. Brewer taproom license.

1. The tax commissioner may issue multiple brewer taproom licenses to the owner or operator of a brewery producing no more than twenty-five thousand barrels of malt beverages annually. A brewer with multiple taproom licenses must produce malt beverages at each location and the total amount of malt beverages produced at all locations combined may not exceed twenty-five thousand barrels of malt beverages annually. Each brewer taproom license may be issued and renewed for an annual fee of five hundred dollars, which is in lieu of all other state license fees required by this title. All provisions of this chapter which apply to a retail license must apply to a license issued under this section unless the provision is explicitly inconsistent with this section.
2. A brewer holding a brewer taproom license may:
 - a. Manufacture on the licensed premises, store, transport, sell, and export no more than twenty-five thousand barrels of malt beverages annually.
 - b. Sell malt beverages manufactured on the licensed premises or through a contract for consumption on the premises of the brewery or a restaurant owned by the licensee and located on property contiguous to the brewery.
 - c. Sell beer manufactured on the licensed premises or through a contract for off premises consumption in brewery-sealed containers of not more than five and sixteen-hundredths gallons [19.53 liters].
 - d. Sell and deliver beer produced by the brewery to licensed beer wholesalers.
 - e. Dispense free samples of beer offered for sale. Complimentary samples of beer may not be in an amount exceeding sixteen ounces [.47 liter] per patron.
 - f. Sell and deliver beer produced by the brewery to licensed retailers within the state, but only if:
 - (1) The brewer uses the brewer's own equipment, trucks, and employees to deliver the beer;
 - (2) Individual deliveries, other than draft beer, are limited to the case equivalent of eight barrels per day to each licensed retailer;
 - (3) The total amount of beer sold or delivered directly to all retailers does not exceed ten thousand barrels per year; and
 - (4) A common carrier is not used to ship or deliver the brewery's product to the public or to licensed retailers. All other sales and deliveries of beer to licensed retailers in this state may be made only through a wholesaler licensed in this state.
 - g. Sell or direct ship beer produced by the brewery to an individual in this state for consumption in accordance with section 5-01-16.
3. The tax commissioner may issue special event permits for not more than forty events per calendar year to a brewer taproom licensee allowing the licensee, subject to local

- ordinance, to give free samples of its beer, sell its beer by the glass or in closed containers, or dispense beer manufactured by the licensee, at off-premises events.
4. For any month in which a brewery has made sales to a wholesaler licensed in this state, that brewery shall file a report with the tax commissioner no later than the last day of each calendar month reporting sales made during the preceding calendar month. When the last day of the calendar month falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after that day.
 5. A brewer taproom licensee is subject to section 5-03-06 and shall report and pay annually to the tax commissioner the wholesaler taxes due on all beer sold by the licensee at retail or to a retail licensee, including all beer sold directly to consumers as set forth in sections 5-03-07 and 57-39.6-02. The annual wholesaler tax reports are due January fifteenth of the year following the year sales were made. When the fifteenth of January falls on a Saturday, Sunday, or legal holiday, the due date is the first working day after that day. The report must provide the detail and be in a format as prescribed by the tax commissioner. The tax commissioner may require the report be submitted in an electronic format approved by the tax commissioner.
 6. A brewer may have multiple taproom licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of any other manufacturer, brewer, importer, wholesaler, or retailer, or be an affiliate thereof, whether the affiliation is corporate or by management, direction, or control. A brewer may transfer beer in bulk, as defined by section 5-01-01, manufactured by the brewer to an affiliated brewer. For the purposes of this subsection, an "affiliated brewer taproom" means a licensed brewer taproom of which at least an eighty-five percent interest is owned by the brewer taproom, measured annually and:
 - a. The brewer does not own more than three affiliated brewer taprooms;
 - b. The licensed brewer taproom receiving the beer in bulk has produced no less than five thousand gallons [18927.06 liters] of beer on the premises in the preceding calendar year. For the purpose of calculating the production requirements, the production must be prorated based on the number of days beer was produced;
 - c. The beer in bulk transferred in any calendar year constitutes no more than fifty percent of the beer being produced by the licensed brewer taproom receiving the beer; and
 - d. For purposes of determining whether the twenty-five thousand barrel production limit under subsections 1 and 2 is being exceeded, the beer being transferred is credited to the brewer that manufactured the beer.
 7. A contractee brewer may contract with a contractor brewer to produce beer for the contractee brewer to the extent allowed by federal law under the following conditions:
 - a. The contractee brewer and the contractor brewer must be licensed and owned separately;
 - b. The contractee brewer must have a proper license issued under this section and maintain a physical presence in the state;
 - c. Beer brewed for a contractee brewer counts toward the contractee brewer's annual barrels produced, and the beer does not count toward the contractor brewer's annual barrels produced;
 - d. The contractee brewer retains ownership of product produced by a contractor brewer; and
 - e. Each brewer is separately and distinctly responsible for compliance with this chapter.

5-01-22. Powdered alcohol products prohibited - Penalty - Exceptions.

1. As used in this section, "powdered alcohol product" means any alcohol prepared or sold in a powder form for either direct use or reconstitution in a liquid beverage or food.
2. A person may not sell, offer to sell, purchase, offer to purchase, possess, or consume a powdered alcohol product.

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2334
3/20/2025

A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-01 of the North Dakota Century Code, relating to the definition of alcoholic beverage establishment for purposes of conducting gaming.

11:07 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

Members Absent: Representative Davis

Discussion Topics:

- Requirements to be considered a charitable organization
- Shares of bars purchased by charities

11:07 a.m. Representative Klemin proposed Amendment LC:25.1274.02001, testimony #43270.

11:22 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk

25.1274.02001
Title.

Prepared by the Legislative Council
staff for Representative Klemin
March 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2334

Introduced by

Senators Gerhardt, Barta, Meyer

Representatives Koppelman, Rohr

1 A BILL for an Act to create and enact a new subsection to section 53-06.1-03 of the North
2 Dakota Century Code, relating to a moratorium on charitable organizations purchasing alcoholic
3 beverage establishments; to amend and reenact subsection 2 of section 53-06.1-01 of the
4 North Dakota Century Code, relating to the definition of alcoholic beverage establishment for
5 purposes of conducting gaming; and to provide an expiration date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-01 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 2. "Alcoholic beverage establishment" means an establishment licensed under section
10 5-01-21 or chapter 5-02 where alcoholic beverages are sold, dispensed, and
11 consumed by guests on the premises. The term does not include a liquor store, gas
12 station, grocery store, or convenience store.

13 **SECTION 2.** A new subsection to section 53-06.1-03 of the North Dakota Century Code is
14 created and enacted as follows:

15 A licensed organization, including its subsidiary, affiliate, or other related organization,
16 may not purchase an alcoholic beverage establishment.

17 **SECTION 3. EXPIRATION DATE.** Section 2 of this Act is effective through July 31, 2027,
18 and after that date is ineffective.

2025 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Room JW327B, State Capitol

SB 2334
3/27/2025

A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-01 of the North Dakota Century Code, relating to the definition of alcoholic beverage establishment for purposes of conducting gaming.

10:06 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Representatives Bolinske, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Warrey

Members Absent: Vice-Chairman Jonas, Representatives Davis, Toman

Discussion Topics:

- Revenue generated from charitable gaming
- Committee action

10:08 a.m. Representative Klemin proposed Amendment LC:25.1274.02003, testimony #44301.

10:10 a.m. Representative Klemin moved to adopt Amendment LC:25.1274.02003, testimony #44301.

10:11 a.m. Representative Warrey seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	A
Representative Macy Bolinske	Y
Representative Jayme Davis	A
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	N
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

10:15 a.m. Motion passed 9-1-3

10:15 a.m. Representative Klemin moved a Do Pass as Amended.

10:15 a.m. Representative Bolinske seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	A
Representative Macy Bolinske	Y
Representative Jayme Davis	A
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	A
Representative Jonathan Warrey	Y

10:16 a.m. Motion passed 10-0-3

10:17 a.m. Representative Klemin will carry the bill.

10:17 a.m. Chairman Longmuir closed the hearing.

Wyatt Armstrong, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

3/27/25 VC
1 of 2

SENATE BILL NO. 2334

Introduced by

Senators Gerhardt, Barta, Meyer

Representatives Koppelman, Rohr

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-01 of the North Dakota
2 Century Code, relating to the definition of alcoholic beverage establishment for purposes of
3 conducting gaming; and to provide for a legislative management study.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. "Alcoholic beverage establishment" means an establishment licensed under section
8 5-01-21 or chapter 5-02 where alcoholic beverages are sold, dispensed, and
9 consumed by guests on the premises. The term does not include a liquor store, gas
10 station, grocery store, or convenience store.

11 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY - OWNERSHIP OF ALCOHOLIC**
12 **BEVERAGE ESTABLISHMENTS BY CHARITABLE GAMING ORGANIZATIONS.**

13 1. During the 2025-26 interim, the legislative management shall consider studying the
14 ownership of alcoholic beverage establishments by licensed charitable gaming
15 organizations. The study must include:
16 a. The prevalence of the ownership of alcoholic beverage establishments by
17 licensed charitable gaming organizations;
18 b. The process of obtaining ownership of alcoholic beverage establishments,
19 including the use of subsidiaries, partnerships, and organizations;

- 1 c. The benefits and detriments of licensed charitable gaming organizations owning
- 2 alcoholic beverage establishments; and
- 3 d. The interaction between gaming manufacturers and distributors and licensed
- 4 charitable gaming organizations.
- 5 2. The legislative management shall report its findings and recommendations, together
- 6 with any legislation required to implement the recommendations, to the seventieth
- 7 legislative assembly.

**REPORT OF STANDING COMMITTEE
SB 2334**

Political Subdivisions Committee (Rep. Longmuir, Chairman) recommends **AMENDMENTS** ([25.1274.02003](#)) and when so amended, recommends **DO PASS** (10 YEAS, 0 NAYS, 3 ABSENT OR EXCUSED AND NOT VOTING). SB 2334 was placed on the Sixth order on the calendar.

25.1274.02003
Title.

Prepared by the Legislative Council
staff for Representative Klemin
March 25, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2334

Introduced by

Senators Gerhardt, Barta, Meyer

Representatives Koppelman, Rohr

1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-01 of the North Dakota
2 Century Code, relating to the definition of alcoholic beverage establishment for purposes of
3 conducting gaming; and to provide for a legislative management study.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 2 of section 53-06.1-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. "Alcoholic beverage establishment" means an establishment licensed under section
8 5-01-21 or chapter 5-02 where alcoholic beverages are sold, dispensed, and
9 consumed by guests on the premises. The term does not include a liquor store, gas
10 station, grocery store, or convenience store.

11 **SECTION 2. LEGISLATIVE MANAGEMENT STUDY - OWNERSHIP OF ALCOHOLIC** 12 **BEVERAGE ESTABLISHMENTS BY CHARITABLE GAMING ORGANIZATIONS.**

13 1. During the 2025-26 interim, the legislative management shall consider studying the
14 ownership of alcoholic beverage establishments by licensed charitable gaming
15 organizations. The study must include:
16 a. The prevalence of the ownership of alcoholic beverage establishments by
17 licensed charitable gaming organizations;
18 b. The process of obtaining ownership of alcoholic beverage establishments,
19 including the use of subsidiaries, partnerships, and organizations;

- 1 c. The benefits and detriments of licensed charitable gaming organizations owning
- 2 alcoholic beverage establishments; and
- 3 d. The interaction between gaming manufacturers and distributors and licensed
- 4 charitable gaming organizations.
- 5 2. The legislative management shall report its findings and recommendations, together
- 6 with any legislation required to implement the recommendations, to the seventieth
- 7 legislative assembly.