2023 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1484

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

HB 1484 2/8/2023

Relating to gaming site authorization.

Chairman Louser called to order 9:00 AM.

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Discussion Topics:

- E-tabs machines
- Eligible sites

In favor:

Representative Nathan Toman, bill sponsor (no written testimomy). Dave Weiler, Representing Western Distributing, #19702
Matt Jameson, Veterans of Foreign Wars (VFW) (no written testimony)
Rodney Mitzel, Injured Military Wildlife Project of ND, #19886
Chris Ebertz, VFW Bismarck, ND (no written testimomy)
Mark Meyer, American Legion, Post 91 (no written testimony)

Additional written testimony:

Scott Meske, ND Gaming Alliance, #19692 Don Santer, Proposed amendment, #19679 Janelle Mitzel, Charitable Gaming Director, Development Homes, Inc., #19704

Chairman Louser adjourned the meeting 10:06 AM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee

Room JW327C, State Capitol

HB 1484 2/14/2023

Relating to gaming site authorization.

Chairman Louser called to order 4:06 PM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Kasper, Koppelman, Ruby, Schauer, Thomas, Tveit, Warrey.

Member Absent: Representative Wagner

Discussion Topics:

Committee action

Representative Kasper proposed amendment LC #23.1002.03002 and moved to adopt. Representative Koppelman seconded.

Roll call vote:

Representatives	Vote
Representative Scott Louser	Υ
Representative Mitch Ostlie	Υ
Representative Josh Boschee	Υ
Representative Josh Christy	Υ
Representative Hamida Dakane	Υ
Representative Jorin Johnson	Υ
Representative Jim Kasper	Υ
Representative Ben Koppelman	Υ
Representative Dan Ruby	Υ
Representative Austen Schauer	AB
Representative Paul J. Thomas	AB
Representative Bill Tveit	Υ
Representative Scott Wagner	AB
Representative Jonathan Warrey	Υ

Motion passed 11-0-3

Representative Kasper moved Do Pass as amended. Representative Dakane seconded.

Roll call vote:

Representatives	Vote
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House Industry, Business and Labor Committee HB 1484 02/14/2023 Page 2

Representative Scott Louser	Y
Representative Mitch Ostlie	Υ
Representative Josh Boschee	N
Representative Josh Christy	Υ
Representative Hamida Dakane	Υ
Representative Jorin Johnson	Υ
Representative Jim Kasper	Υ
Representative Ben Koppelman	Υ
Representative Dan Ruby	Υ
Representative Austen Schauer	AB
Representative Paul J. Thomas	AB
Representative Bill Tveit	Υ
Representative Scott Wagner	AB
Representative Jonathan Warrey	Y

Motion passed 10-1-3

Representative Koppelman will carry the bill.

Chairman Louser adjourned the meeting 4:21 PM

Diane Lillis, Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1484

- Page 1, line 1, after "reenact" insert "section 53-06.1-01,"
- Page 1, line 1, after "53-06.1-03" insert a comma
- Page 1, line 2, after "to" insert "the definitions of "off sale" and "on sale","
- Page 1, line 2, after "authorization" insert "and licensure, and the authorization of employees to provide limited assistance related to gaming; and to declare an emergency"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 53-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions.

As used in this chapter:

- "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of merchandise prizes, gaming tax, and federal excise tax imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401].
- "Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.
- "Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.
- 4. "Closely related organization" means an organization that controls, is controlled by, or is under common control with another organization. Control exists when an organization has the authority or ability to elect, appoint, or remove a majority of the officers or directors of another organization or, by policy, contract, or otherwise, has the authority or ability to directly or indirectly direct or cause the direction of the management or policies of another organization.
- 5. "Distributor" means a person that sells, markets, or distributes equipment designed for use in the conduct of games.
- 6. "Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university.
- 7. "Electronic pull tab device" means a device, approved by the attorney general, which electronically displays pull tabs.

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- 8. "Eligible organization" means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota or authorized by the secretary of state as a foreign corporation under chapter 10-33, incorporated as a nonprofit organization, and which has been regularly and actively fulfilling its primary purpose within this state during the two immediately preceding years. However, an educational organization does not need to be incorporated or be in existence for two years. An organization's primary purpose may not involve the conduct of games. The organization may be issued a license by the attorney general. For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-04 or 20.1-08.
- 9. "Fraternal organization" means an organization, except a school fraternity, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. The organization must have qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code.
- 10. "Games" means games of chance.
- 11. "Gross proceeds" means all cash and checks received from conducting games.
- 12. "Licensed organization" means an eligible organization licensed by the attorney general.
- 13. "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints, assembles, or produces the product. For a pull tab dispensing device, bingo card marking device, or a fifty-fifty raffle system, a manufacturer means the person who directly controls and manages development of and owns the rights to the proprietary software encoded on a processing chip that enables the device to operate.
- 14. "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and expenses to conduct the gaming activity.
- 15. "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming tax.
- 16. "Off sale" means the sale of alcoholic beverages that are to be consumed off the licensed premises.
- 17. "On sale" means the sale of alcoholic beverages that are meant to be consumed on the licensed premises.
- "Permit" means a local permit or restricted event permit issued by a governing body of a city or county to a nonprofit organization or group of people domiciled in North Dakota.
- 17.19. "Person" means any person, partnership, corporation, limited liability company, association, or organization.



- 18.20. "Prize board" means a board used with pull tabs to award cash or merchandise prizes.
- 19.21. "Public safety organization" means an organization whose primary purpose is to provide firefighting, ambulance service, crime prevention, or similar emergency assistance.
- 20.22. "Public-spirited organization" means an organization whose primary purpose is for scientific research, amateur sports competition, safety, literary, arts, preservation of cultural heritage, educational activities, educational public service, youth, economic development, tourism, community medical care, community recreation, or similar organization, which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition.
- "Pull tab" means a folded or banded ticket or jar ticket, a pull tab card with break-open tabs, or an electronic pull tab displaying concealed numbers or symbols or combinations of concealed numbers and symbols which are exposed by a player to determine the outcome. The terms "pull tab" and "jar ticket" are used interchangeably unless otherwise stated. A winning pull tab contains certain symbols, numbers, or combinations of symbols and numbers and may contain multiple winning symbols, numbers, or combinations of symbols and numbers which have been previously designated as winning symbols or numbers.
- "Religious organization" means a church, body of communicants, or group gathered in common membership whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances.
- 23.25. "Veterans organization" means any congressionally chartered post organization, or any branch or lodge or chapter of a nonprofit national or state organization whose membership consists of individuals who are or were members of the armed services or forces of the United States. The organization must have qualified for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code."
- Page 1, line 13, overstrike "for final approval" and insert immediately thereafter "who shall issue the license"
- Page 1, line 13, remove "that dispenses"
- Page 1, line 14, replace "<u>alcoholic beverages</u>" with "<u>properly licensed by the governing body of</u> the city or county for on sale alcoholic beverage sales"
- Page 2, line 7, after the period insert "The attorney general shall issue a license to an eligible organization that has obtained approval of site authorization under subdivision a, applied, paid the requisite fee, and demonstrated it qualifies as an eligible organization."
- Page 2, line 15, overstrike "attorney general" and insert immediately thereafter "local governing body of the city or county in which the site is located"
- Page 2, line 16, after "under" insert "section"

Page 2, line 17, replace "that dispenses alcoholic beverages" with "properly licensed by the governing body of the city or county for on sale alcoholic beverage sales"



Page 2, after line 18, insert:

"SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Page No. 4

23.1002.03002

Module ID: h_stcomrep_30_003 Carrier: Koppelman Insert LC: 23.1002.03002 Title: 04000

REPORT OF STANDING COMMITTEE

HB 1484: Industry, Business and Labor Committee (Rep. Louser, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 1 NAY, 3 ABSENT AND NOT VOTING). HB 1484 was placed on the Sixth order on the calendar.

Page 1, line 1, after "reenact" insert "section 53-06.1-01,"

Page 1, line 1, after "53-06.1-03" insert a comma

Page 1, line 2, after "to" insert "the definitions of "off sale" and "on sale","

Page 1, line 2, after "authorization" insert "and licensure, and the authorization of employees to provide limited assistance related to gaming; and to declare an emergency"

Page 1, after line 3, insert:

"SECTION 1. AMENDMENT. Section 53-06.1-01 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01. Definitions.

As used in this chapter:

- "Adjusted gross proceeds" means gross proceeds less cash prizes, cost of merchandise prizes, gaming tax, and federal excise tax imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401].
- "Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.
- "Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.
- 4. "Closely related organization" means an organization that controls, is controlled by, or is under common control with another organization. Control exists when an organization has the authority or ability to elect, appoint, or remove a majority of the officers or directors of another organization or, by policy, contract, or otherwise, has the authority or ability to directly or indirectly direct or cause the direction of the management or policies of another organization.
- 5. "Distributor" means a person that sells, markets, or distributes equipment designed for use in the conduct of games.
- "Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university.
- 7. "Electronic pull tab device" means a device, approved by the attorney general, which electronically displays pull tabs.
- 8. "Eligible organization" means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota or authorized by the secretary of state as a foreign corporation under chapter 10-33, incorporated as a nonprofit organization, and which has been regularly and actively fulfilling

Module ID: h_stcomrep_30_003 Carrier: Koppelman Insert LC: 23.1002.03002 Title: 04000

its primary purpose within this state during the two immediately preceding years. However, an educational organization does not need to be incorporated or be in existence for two years. An organization's primary purpose may not involve the conduct of games. The organization may be issued a license by the attorney general. For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-04 or 20.1-08.

- 9. "Fraternal organization" means an organization, except a school fraternity, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. The organization must have qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code.
- 10. "Games" means games of chance.
- 11. "Gross proceeds" means all cash and checks received from conducting games.
- "Licensed organization" means an eligible organization licensed by the attorney general.
- 13. "Manufacturer" means, for a pull tab or bingo card, a person who designs, prints, assembles, or produces the product. For a pull tab dispensing device, bingo card marking device, or a fifty-fifty raffle system, a manufacturer means the person who directly controls and manages development of and owns the rights to the proprietary software encoded on a processing chip that enables the device to operate.
- "Net income" means gross proceeds less cash prizes, cost of merchandise prizes, and expenses to conduct the gaming activity.
- 15. "Net proceeds" means adjusted gross proceeds less allowable expenses and gaming tax.
- 16. "Off sale" means the sale of alcoholic beverages that are to be consumed off the licensed premises.
- 17. "On sale" means the sale of alcoholic beverages that are meant to be consumed on the licensed premises.
- 18. "Permit" means a local permit or restricted event permit issued by a governing body of a city or county to a nonprofit organization or group of people domiciled in North Dakota.
- 17.19. "Person" means any person, partnership, corporation, limited liability company, association, or organization.
- 18.20. "Prize board" means a board used with pull tabs to award cash or merchandise prizes.
- 19.21. "Public safety organization" means an organization whose primary purpose is to provide firefighting, ambulance service, crime prevention, or similar emergency assistance.
- 20.22. "Public-spirited organization" means an organization whose primary purpose is for scientific research, amateur sports competition, safety, literary, arts, preservation of cultural heritage, educational activities,

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educational public service, youth, economic development, tourism, community medical care, community recreation, or similar organization, which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition.

- 24.23. "Pull tab" means a folded or banded ticket or jar ticket, a pull tab card with break-open tabs, or an electronic pull tab displaying concealed numbers or symbols or combinations of concealed numbers and symbols which are exposed by a player to determine the outcome. The terms "pull tab" and "jar ticket" are used interchangeably unless otherwise stated. A winning pull tab contains certain symbols, numbers, or combinations of symbols and numbers and may contain multiple winning symbols, numbers, or combinations of symbols and numbers which have been previously designated as winning symbols or numbers.
- 22.24. "Religious organization" means a church, body of communicants, or group gathered in common membership whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances.
- 23.25. "Veterans organization" means any congressionally chartered post organization, or any branch or lodge or chapter of a nonprofit national or state organization whose membership consists of individuals who are or were members of the armed services or forces of the United States. The organization must have qualified for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code."
- Page 1, line 13, overstrike "for final approval" and insert immediately thereafter "who shall issue the license"
- Page 1, line 13, remove "that dispenses"
- Page 1, line 14, replace "<u>alcoholic beverages</u>" with "<u>properly licensed by the governing body</u> of the city or county for on sale alcoholic beverage sales"
- Page 2, line 7, after the period insert "<u>The attorney general shall issue a license to an eligible organization that has obtained approval of site authorization under subdivision a, applied, paid the requisite fee, and demonstrated it qualifies as an eligible organization."</u>
- Page 2, line 15, overstrike "attorney general" and insert immediately thereafter "<u>local governing body of the city or county in which the site is located</u>"
- Page 2, line 16, after "under" insert "section"
- Page 2, line 17, replace "that dispenses alcoholic beverages" with "properly licensed by the governing body of the city or county for on sale alcoholic beverage sales"
- Page 2, after line 18, insert:

"SECTION 4. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

2023 SENATE JUDICIARY

HB 1484

2023 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee

Peace Garden Room, State Capitol

HB 1484 3/27/2023

A bill relating to the definitions of 'off sale' and 'on sale', gaming site authorization and licensure, and the authorization of employees to provide limited assistance related to gaming; and to declare an emergency.

11:44 AM Chairman Larson opened the meeting.

Chairman Larson and Senators Myrdal, Luick, Estenson, Sickler, Paulson and Braunberger were present.

Discussion Topics:

- Site Authorizations
- Gaming regulation
- Local control
- 11:46 Representative Toman introduced the bill. No written testimony.
- 11:49 AM Brett Narlock spoke in favor of the bill #26699.
- 11:53 AM Dave Weiler, Lobbyist, Western Distributing, spoke in favor of the bill.
- 12:00 PM Rudy Martinson, Lobbyist, North Dakota Hospitality Association, spoke in favor of the bill.
- 12:01 PM Scott Meske Lobbyist, North Dakota Gaming Alliance, testified in favor of the bill and provided written testimony #26644.
- 12:02 PM Stephanie Dassingner Engebretson, Deputy Director North Dakota League of Cities, spoke in favor of the bill.
- 12:04 PM Deb McDaniel, Director, Gaming Division, North Dakota Attorney General's Office testified opposed to the bill. #26653
- 12:11 PM Chairman Larson closed the public hearing.
- 12:11 PM Chairman Larson closed the meeting.

Rick Schuchard, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee

Peace Garden Room, State Capitol

HB 1484 3/28/2023

A bill relating to the definitions of 'off sale' and 'on sale', gaming site authorization and licensure, and the authorization of employees to provide limited assistance related to gaming; and to declare an emergency.

5:16 PM Chairman Larson opened the meeting.

Chairman Larson and Senators Myrdal, Luick, Estenson, Sickler, Paulson and Braunberger are present.

Discussion Topics:

- Committee action
- Liquor licenses
- Local control

5:16 PM The committee has discussion on the bill.

5:23 PM Senator Myrdal moved to Do Not Pass the bill. Motion seconded by Senator Sickler.

5:25 PM Roll call vote was taken.

Senators	Vote
Senator Diane Larson	Υ
Senator Bob Paulson	Υ
Senator Jonathan Sickler	Υ
Senator Ryan Braunberger	Ν
Senator Judy Estenson	Υ
Senator Larry Luick	Υ
Senator Janne Myrdal	Υ

Motion passes 6-1-0.

Senator Estenson will carry the bill.

This bill does not affect workforce development.

5:25 PM Chairman Larson closed the meeting.

Rick Schuchard, Committee Clerk

Module ID: s_stcomrep_54_007

Carrier: Estenson

REPORT OF STANDING COMMITTEE

HB 1484, as engrossed: Judiciary Committee (Sen. Larson, Chairman) recommends

DO NOT PASS (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed HB 1484 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.

TESTIMONY

HB 1484

23.1002.03000

Sixty-eighth Legislative Assembly of North Dakota

HOUSE BILL NO. 1484

Introduced by

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Representative Toman

- 1 A BILL for an Act to amend and reenact subsection 2 of section 53-06.1-03 and subsection 1 of
- 2 section 53-06.1-06 of the North Dakota Century Code, relating to gaming site authorization.

3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Subsection 2 of section 53-06.1-03 of the North Dakota
 Century Code is amended and reenacted as follows:
 - 2. An eligible organization shall apply for a license to conduct only bingo, electronic quick shot bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, paddlewheels, poker, or sports pools by:
 - a. First securing approval for a site authorization from the governing body of the city or county in which the proposed site is located. Approval, which may be granted at the sole discretion of the governing body, must be recorded on a site authorization form that is to accompany the license application to the attorney general for final approval. An authorized site includes a location that dispenses alcoholic beverages. A governing body may not require an eligible organization to donate net proceeds to the city, county, or related political subdivision or for community programs or services within the city or county as a condition for receiving a site authorization from the city or county. A governing body may limit the number of tables for the game of twenty-one per site and the number of sites upon which a licensed organization may conduct games within the city or county. A governing body may charge a one hundred dollar fee for a site authorization; and
 - b. Annually applying for a license from the attorney general before July first on a form prescribed by the attorney general and remitting a one hundred fifty dollar license fee for each city or county that approves a site authorization. However,

the attorney general may allow an organization that only conducts a raffle or calcutta in two or more cities or counties to annually apply for a consolidated license and remit a one hundred fifty dollar license fee for each city or county in which a site is located. An organization shall document that it qualifies as an eligible organization. If an organization amends its primary purpose as stated in its articles of incorporation or materially changes its basic character, the organization shall reapply for licensure.

SECTION 2. AMENDMENT. Subsection 1 of section 53-06.1-06 of the North Dakota Century Code is amended and reenacted as follows:

No person, except a member, volunteer, an employee of a licensed organization or an organization that has a permit, or an employee of a temporary employment agency who provides services to a licensed organization, may manage, control, or conduct any game. "Member" includes a member of an auxiliary organization. In conducting pull tabs or prize boards through a dispensing device, selling pull tabs through a pull-tab device, selling raffle tickets, or conducting sports pools, the attorney general may allow an employee of an alcoholic beverage establishment authorized site under 53-06.1-03, including a location that dispenses alcoholic beverages, to provide limited assistance to an organization.



Benefiting North Dakota Communities through Charitable Gaming

February 8, 2023 Testimony in SUPPORT of House Bill 1484

Chairman Louser and Members of the Industry, Business and Labor Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the 152 Members of the NDGA, we offer our support for House Bill 1484.

ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors. Since the laws governing charitable gaming were created, charities and the hospitality industry have worked together under a microscope. The licensed organization must petition the local governing body WITH the proposed gaming site. It is a joint effort, ultimately with the goal of providing valuable charitable donations within that community.

House Bill 1484 does not define what is or isn't an "alcohol beverage establishment." We believe once definitions are placed in statute, there will always be more carve outs or more requests for exceptions. Today, when a properly licensed charity enters into a lease agreement with a potential gaming site, the local governing body is the final site authority. This process has worked well. It is the local governing body who knows what is best for the community, what makes sense and what is proper for them.

We strongly support the process of selecting charitable gaming sites as it stands today. And we are ardent supporters of the local governing body's ability to make the final determination where charitable gaming should be conducted in their own communities, provided all of the proper licenses are current.

The 320 charities and 900-plus gaming sites in North Dakota have been operating under the rules established by this body, and in the last biennium contributed more than \$73 million into North Dakota's community causes because of charitable gaming.



Benefiting North Dakota Communities through Charitable Gaming

The North Dakota Gaming Alliance respectfully asks that HB 1484 be given a DO PASS recommendation from this Committee. Let's make it crystal clear to communities, charities and gaming sites and allow true local control to be excercised in charitable gaming.

Thank you.

Testimony of Dave Weiler House Bill 1484, House Industry, Business and Labor Committee, Feb. 8th2023

Chairman Louser and members of the committee, for the Record my name is Dave Weiler.

I am here today to speak in favor of HB 1484.

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First and most importantly this is a local control issue. If an establishment in Belfield North Dakota has the proper license, and the mayor or city commission approves of etab gaming they should be allowed to have them.

There will be others after me that will make the case.

This bill would also allow a little gaming in Liquor stores attached to convenience stores only if the local governing body approves it.

We know about some of the misleading information this session regarding C-stores and gaming.

Allow me go over some facts about Convenience/liquor stores. The E-tab machines are not in C stores, they are in liquor stores. (show pictures)

Separate door to liquor store.

ND lottery kiosk is in the C store, and in many c-stores throughout the state..... where a 10 yr. old can purchase a ticket. So it's ok for the state to have gaming in a location where under age kids are allowed, but it's not ok for charities to have a little gaming only where 21 year olds are allowed.

Etabs were allowed in 2017, there are over 600 C-stores in ND, 6 years later we now have 4 liquor stores attached to a C store that have E tabs. 4 locations in 6 years.

There is Concern over the growth of e tabs.

(2017 to 2021. 3,400 e tab machines in 4 yrs, that is 1,700 per biennium, In the 2 yrs since we now have 4,400 e tabs. That is a growth 1,000 machines in the last 2 yrs. The trend is going down not up. Bars and restaurants are closing due mainly to staffing issues, this will keep the number of e tabs down as well.

The ND gaming commission was told 6 months ago that if they didn't pass the rule to challenge this that we would have 400 convenience/liquor stores with e tabs. They have had 6 yrs. 4 locations in ND.

There will not be an explosion of etabs in these locations, not only for the above reason but for other reasons.

Cities of Fargo, Grand Forks, Minot, Dickinson do not allow liquor to be sold at C stores. That's about 40 % of the population.

City of Bismarck, does allow it. City of Bismarck and Mandan have 21 Convenience stores, 18 of the 21 have the proper license to allow e tabs, yet 1 store has e tabs.

No explosion happening here, and there won't be. We believe that statewide there are about 30 CStores/liquor stores that have the proper license.

I've met with the manager of the on the run store in NW Bismarck, (pictured) they tell me that they love the machines, they bring in more business to the Convenience store, but here is what else they tell me.

The people that play the machines the most? Are women. Why? Because some women do not want to be seen in a bar, they don't want to be harassed in a bar. They want to feel safe. They like to support the charity, do a little gaming but more importantly, they feel safe.

Finally I want to talk about some Veterans organizations that are here today. You might ask why do they care about this bill.

Prior to 1979 the only charitable gaming in ND was Veterans and Fraternal organizations.

These groups did wonderful things in their communities with the help of charitable gaming, and they were able to do more for their Veterans.

Today the charitable gaming industry in ND is much more competitive with baseball, hockey, wrestling, gymnastic groups and many many others, with 314 gaming organizations in ND, they have made it difficult through the years for Veteran and Fraternal organizations to compete in this industry.

Veterans are not the type of people who will go attempt to steal a site from a baseball, or childrens group. They just aren't that type of people.

We would like to see Veterans organizations, have a few more sites so they can do more for their Veterans. We feel like the C-Store/liquor store is a place where they can expand a little and not poach sites from other charities.

Bismarck American Legion is the charity at the On the Run C-store/Liquor Store, I think someone will be here to explain in more detail about the wonderful things they have done because of that site.

Veterans and Fraternal organizations give their charitable money away to local groups, you will hear more about it today.

While not to discredit other groups because they do some good things as well but they do use a good portion of their money on their own cause. Veterans support and help Veterans and give to communities.

Please help provide a safe place for those that enjoy gaming and supporting our Veterans.

Again, I ask you to please support HB 1484

Chairman Louser, Vice Chair Ostlie and members of the committee, Thank you for your service to ND and I would be happy to answer any questions.

Chair Louser & House Industry, Business and Labor Committee Testimony In Opposition to HB 1484 Submitted by Janelle Mitzel, Development Homes, Inc. February 8th, 2023

Chairman Louser & Committee Members,

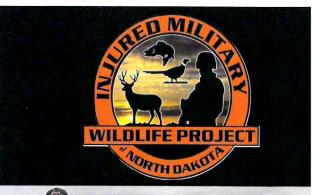
Thank you for your consideration of a **Do Not Pass** recommendation on HB 1484, regarding a charitable gaming site authorization.

Essentially this bill tries to address similar issues as HB 1296 heard in your committee this week. We believe HB 1296 is concise in wording for charitable site authorizations and HB 1484 does not clearly address the problem.

To avoid further confusion on site authorizations we ask for a **Do Not Pass** on HB 1484.

Thank you.

Janelle Mitzel Charitable Gaming Director Development Homes, Inc. The **Injured Military Wildlife Project** (IMWP) is a group of ND citizens that provides hunting and fishing opportunities to veterans who have been injured in the line of duty. The ND Game & Fish Department provides 10 deer tags each year for these heroes. Any ND born veteran with or without disabilities may apply to assist the Theodore Roosevelt National Park Service in their elk culling program and will receive one elk. In 2021 we will be kicking off our veterans fishing program. Please visit our website for more details and to apply. The IMWP provides lodging, meals, travel expenses, meat processing, and assistance before, during, and after your outdoor experience. If you, or someone you know may qualify or have a general question, please visit our website at www.imwpnd.com or contact 701-260-0992.





"So, you see, this weekend of hunting was not just fun and exciting for me, it was a life changing experience. I got to feel alive and free of stress for the first time since 2007. Besides seeing the birth of my children, this was one of the greatest days of my life. For that, I thank you, and my wife thanks you. Without your help and selflessness of providing this experience for people like me, I would have forgotten just what it felt like to be alive."



"Thank you for giving my husband the opportunity to hunt through your amazing program. I don't think you guys know how much of a positive impact your program has done for my husband. He is still talking about the great time he had as well as the amazing hospitality you guys showed him. I am so happy you picked him for this hunt that he will remember forever."



100% of donations go towards funding the program.



To make a contribution, complete this form and mail to:

Injured Military Wildlife Project of ND

PO Box 3641 Dickinson, ND 58602

Name:	and the second of the second of the second	
Address:		
Phone:		
Email:		
Amount:		

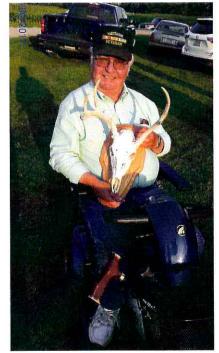
Receipt Required: Yes or No

IMWP of ND is a 501(c)(3), non-profit organization registered with the Secretary of State. Tax ID No. 80-0759137. Contributions are deductible under Section 501(c)(3) of the Internal Revenue Code.

You can also donate online on our website www.imwpnd.com

100% of all donations go toward funding the program!





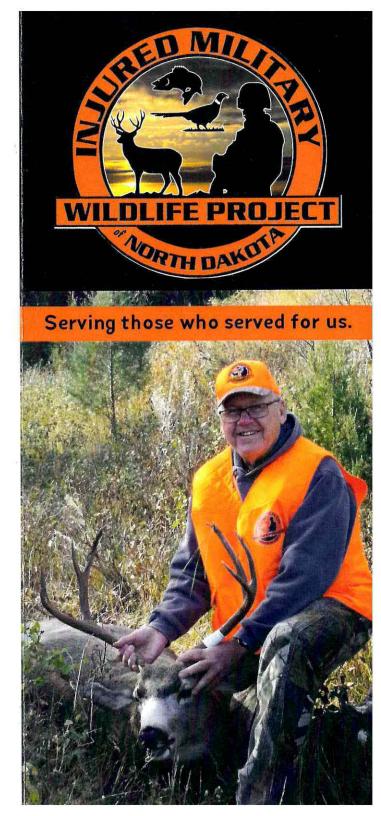
If you are interested in participating please visit our website at www.imwpnd.com. There you can apply for either the deer or elk program. If you are interested in donating to the program, there is a tab on the website also. One hundred percent of all donations go toward funding the program.



Check us out on Facebook @Injured Military Wildlife of ND 701-260-0992



is proud to support the Injured Military Wildlife Project of ND





Benefiting North Dakota Communities through Charitable Gaming

March 27, 2023 Testimony in SUPPORT of House Bill 1484

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 152 Members of the NDGA, we offer our support for House Bill 1484.

ND Gaming Alliance represents all facets of the charitable gaming industry, including Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors. Since the laws governing charitable gaming were created, charities and the hospitality industry have worked together under a microscope. The licensed organization must petition the local governing body WITH the proposed gaming site. It is a joint effort, ultimately with the goal of providing valuable charitable donations within that community.

HB 1484 addresses a concern that arose during the administrative rules process this past fall. The concern was brought up by the attorney general's office, the gaming commission, and most recently by some legislators, that E-Tab machines are going to start popping up in every convenience store, gas station, and grocery store in the state. This has never been the intention of the charitable gaming industry, and this bill specifically addresses these issues.

This is not an expansion of gaming. This is a restriction and clearly states that gaming can only be conducted in businesses that have an <u>on-sale liquor license</u>. This will prevent gas stations, convenience stores, liquor stores and grocery stores who are licensed for off-sale alcohol from conducting gaming. Let me repeat that expanding into these types of businesses has never been the goal of the charitable gaming industry, and HB 1484 clarifies this issue.



Benefiting North Dakota Communities through Charitable Gaming

The 320 charities and 900-plus gaming sites in North Dakota have been operating under the rules established by this body, and in the last biennium contributed more than \$73 million into North Dakota's community causes because of charitable gaming and an additional \$45 million in taxes paid to the state general fund. It is the local governing body who knows what is best for the community, what makes sense and what is proper for their jurisdiction.

The North Dakota Gaming Alliance respectfully asks that HB 1484 be given a DO PASS recommendation from this Committee. Let's make it crystal clear to communities and charities where gaming can be conducted.

Thank you.



STATE OF NORTH DAKOTA OFFICE OF ATTORNEY GENERAL

www.attorneygeneral.nd.gov (701) 328-2210

Senate Judiciary Committee House Bill No. 1484 Relating to Definitions of "off sale" and "on sale" and Site Authorization March 27, 2023, Peace Garden

Good morning, Madam Chair Larson, and Senate Judiciary members my name is Deb McDaniel, I am the Director of Charitable Gaming under the Office of Attorney General.

I am here today to point out concerns relating to HB 1296.

- This bill would define an "on sale" and "off sale" site. However, any site allowed to have "on sale" alcoholic beverages may be authorized by the local governing body to have gaming conducted in that site. This could include coffee shops, hair salons, gas stations, grocery stores, or any site a local governing body allows "on sale" alcoholic beverages. Should this bill pass, it would greatly expand the number of sites allowed to have gaming conducted in them and would also require this office to request additional FTE's to monitor and regulate these sites.
- The final approval of an authorized site is removed from the Attorney General.
 Local jurisdictions may not know if an organization is behind in submitting tax
 returns or late in payment of taxes. A local jurisdictional may not know if the
 organization is under suspension by our office or that a site owner is not complying
 with gaming laws and rules or may owe an organization a bar loan.
- This bill would also take away the authority of the Attorney General as to who may assist an organization with the conduct of games.

I would be happy to stand for any questions.



Sweet Crude Travel Center, LLC 12678 ND 200 Grassy Butte, ND 58634

March 27, 2023

Members of the North Dakota State Senate Judiciary Committee:

My name is Brett Narloch and I support HB 1484. I am an owner and Managing Partner of Sweet Crude Travel Center, a truck stop, bar, and restaurant located at the intersection of US Highway 85 and ND Highway 200, by Grassy Butte. Since the debate has started about how to define a bar in the context of gaming, my business is usually listed in the news articles as one of the four gas stations that have e-tabs.

In previous testimony to this committee I went through all of the good things that gaming funds have been able to provide for first responders and firefighters in the Grassy Butte area of McKenzie County. Today I'll just speak to HB1484.

The North Dakota Attorney General's office has stated that it is seeking clarity from the Legislature regarding what a bar is so that it can properly regulate gaming. Deb McDaniel admitted to the Bismarck Tribune that SB2304 would still leave things subject to interpretation. HB1484 truly simplifies things for them.

If HB1484 becomes law, local communities can decide – as they always have – which businesses can receive an on sale liquor license. If a business receives one from their local governing body and it is otherwise an eligible site, the Attorney General's office simply issues the approval. All of the complicating factors that went into SB2304 disappear. They see the on sale liquor license. They approve.

If HB1484 becomes law, the details that SB2304 tries and fails to address will be addressed at the local level where governing bodies are closest to the people. Rural McKenzie County residents probably view this issue differently than Fargo residents.

Despite refusing to tell me how I ended up on the list of gas stations with gaming, my business has ended up on it none-the-less. It has been years now since e-tabs have been eligible to be placed around North Dakota, and the Attorney General has only been able to make a list of four gas stations that have them. And I certainly dispute my business being on the list.

This morning I read Ms. McDaniel's testimony opposing this bill. For you to believe that this will somehow mean e-tab machines will be in coffee shops all across North Dakota that means you would have to believe that local government will just start handing out on sale liquor licenses like candy. That defies everything we know about how local governments operate. If you give a coffee shop an on sale liquor license then they can serve alcohol. Local governments just do not allow that. The Attorney General's office knows that.

If required to get an on sale liquor license, stand alone gas stations and convenience stores will never become a hot spot for e-tabs. The cost of acquiring an on sale liquor license in most places is prohibitive. I have a stand alone convenience store in Washburn. I would have to pay \$25,000 to get an on sale liquor license. The benefits of having e-tabs in that store do not come close to justifying that type of investment. In bigger cities the cost of those licenses gets into the hundreds of thousands of dollars. No stand alone convenience store will pay that.

HB1484 provides clarity to the Attorney General and allows local communities to decide where they allow alcoholic beverages to be consumed.

I urge you to give this bill a Do Pass.

Thank you.

Brett Narloch Managing Partner Sweet Crude Travel Center brett@sweetcrudetc.com 218.779.6384

Future of electronic pull tabs in North Dakota lawmakers' hands https://bismarcktribune.com/community/mandannews/news/future-of-electronic-pull-tabs-in-north-dakota-lawmakers-hands/article_9fe42f00-c1cd-11ed-a100-afb1aa1b8453.html

The Senate passed Klein's bill in a 35-12 vote, sending it to the House.

McDaniel said having the definition of a bar in state law rather than just in regulations would make it more secure. She likes the spirit of Klein's bill in that "it helps us interpret where gaming can be conducted and so does the other bill; however, the other bill shows that they want it in additional places."

Klein's bill also raises questions about restaurants, such as ones with a bar and ones with a bar and attached to a gas station.

"It's all in the interpretation," McDaniel said.

Klein's bill specifically excludes off-sale liquor stores, gas stations, grocery stores or convenience stores from the definition of a bar, but "I don't know if any of those items are actually defined in statute," McDaniel said.