



City of Grand Forks
Staff Report
Committee of the Whole – August 11, 2025
City Council – August 18 and September 2, 2025

APPROVED & ACCEPTED
by City Council
08/18/2025
Maureen Storstad
Maureen Storstad
City Auditor

Agenda Item: Discussion of Gaming Regulations

Submitted by: Sherie Lundmark, City Clerk
Maureen Storstad, Finance Director
Dan Gaustad, City Attorney

Staff Recommended Action: Consider an ordinance to amend City Code Chapter IX, Article 4 Gaming, Section 9-0401 relating to the definition of an eligible organization, Section 9-0404(1) relating to number of sites authorized and 9-0406 qualifications for charitable organizations to obtain a site authorization in Grand Forks

Committee Recommendation:

Motion by Weigel, second by Fridolfs to recommend approval of the ordinance to 1) reduce the number of sites to 7 per organization; and 2) set as part of qualifications for a site authorization that 75% of the employees and 75% of board members are residents of Grand Forks County, ND. Motion failed 2-5 with Weigel and Fridolfs voting in favor.

Motion by Weigel, second by Lunski to maintain the current cap of 10 sites per organization and set as part of qualifications for a site authorization that 75% of employees and 75% of board members be residents of Grand Forks County, ND or Polk County, MN. Motion passed unanimously

Council Action:

08/18: Motion by Weigel, second by Osowski to approve as amended at Committee of the Whole meeting, and to include an amendment for an exemption to the 75% requirement if a charity owns one business, they are eligible to conduct gaming in that sitem however if they own two or more businesses they will need to meet the 75% requirements in order to conduct gaming in those sites. A friendly amendment was proposed and accepted, that organizations that hold site authorizations for raffle only are exempt from the 75% requirements. Upon call for the question, the motion as amended passed 6-1, with Berg dissenting..

09/02:

BACKGROUND:

Grand Forks City Code Chapter 9, Article 4, Gaming, contains regulations governing gaming in the City of Grand Forks. Included within the regulars are limitations on the number of sites allowed per Organizations and qualifications to hold a site authorization in Grand Forks.

ANALYSIS AND FINDINGS OF FACT:

- The City of Grand Forks limited the number of sites a charity could have to 10 sites on April 1, 2019 with Ordinance 4702.
- Prior to 2019 sites were limited to 7. The increase was brought forward as a request to City Council from a charitable organization, as the current requests from alcohol establishments for gaming could not be met by organizations able to serve the need existing at that time with the cap of 7 sites.
- Currently there are charitable organizations in the community that are interested in having sites, however they are not able to secure a site to operate, due to none being available.
- Staff was asked to research information on site limits in other similar cities in ND.
 Fargo – 5 sites, plus 1 raffle only site
 Bismarck – 5 sites, not including any sit authorization granted for use on a commercial passenger vessel operating on the Missouri River
 Minot – 8 sites, plus allows 1 day special event sites.
- City Attorney was directed to prepare a draft ordinance for consideration which would reduce the number of sites from 10 to 5 per organization. The reduction would be proposed to go into effect for the gaming license year beginning 07/01/2027.
- City Code Section 9-0406 contains qualifications for obtaining a site authorization

- Requirements that can be considered for issuance of a site authorization are covered in Century Code. Cities are prohibited from:
 - Dictating how charities spend their money
 - Requiring a specific charity to operate at a particular site to be eligible for a site authorization
 - Denying a charity a site authorization simply because that charity has not conducted gaming at a site before.
- During the 2025 Legislative Session, HB1615 was passed which included authority for municipalities to adopt a policy setting additional qualifications for those wishing to obtain a site authorization.
- City Council has expressed interest in considering additions to the qualifications
- In addition, a clean-up for definition of eligible organization found in 9-0401(2) was made to use the definition found in N.D.C.C. § 53-06.1-01
- City Attorney has drafted a City Code amendment to include language for a nexus qualification, the reduction in the number of sites for an eligible organization and the clean-up for the definition of eligible organization.

SUPPORT MATERIALS:

- List of current site authorizations
- List of Businesses holding an Alcoholic Beverage License that do not have gaming
- Summary information previously provided to City Council
- Draft Ordinance

ORDINANCE NO. _____

An ordinance to amend Grand Forks City Code §§ 9-0401(2) and 9-0406 relating to gaming and site authorization of gaming.

BE IT ORDAINED by the City Council of the City of Grand Forks, North Dakota, pursuant to its home rule charter, Grand Forks City Code and N.D.C.C. ch. 40-11 that:

Section 1: Amending Clause to Amend Grand Forks City Code § 9-0401(2).

Grand Forks City Code § 9-0401(2) is amended to read as follows (the amending language in bold, with deletions stricken through and additions underlined):

9-0401. - Definitions.

The following words and phrases, as used in this section, shall be defined as follows:

* * * *

- (2) *Eligible organization* **has the same meaning as an “eligible organization” defined in North Dakota Century Code § 53-06.1-01. means bona fide nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, and other public spirited organizations as defined by Chapter 53-06.1 of the North Dakota Century Code, which may be licensed by the attorney general or authorized by the governing body of the City of Grand Forks to conduct games of chance.**

* * * *

Section 2: Amending Clause to Amend Grand Forks City Code § 9-0406.

Grand Forks City Code § 9-0406 is amended to read as follows (the amending language in bold, with deletions stricken through and additions underlined):

9-0406. – Site authorizations.

- (1) The city may, in its discretion, grant site authorizations to eligible organizations to conduct gaming as provided by Chapter 53-06.1 of the North Dakota Century Code, subject to additional provisions **and qualifications** contained within this article.
- (2) **Effective July 1, 2026, to receive a site authorization, the eligible organization must meet each of the following qualifications:**
- (A) **The eligible organization’s principal executive office for its charitable purpose is located within Grand Forks County, North Dakota.**

(B) At least seventy-five percent (75%) of the eligible organization's employees serving the charity's charitable purpose reside within either Grand Forks County, North Dakota or Polk County, Minnesota.

(C) At least seventy-five percent (75%) of the members of the eligible organization's board, making decisions on how the eligible organization's charitable gaming proceeds are spent, reside within either Grand Forks County, North Dakota or Polk County, Minnesota.

(3) The eligible organization shall submit with its site authorization request a written statement certifying, under penalty of perjury, that it meets each of the qualifications described in Grand Forks City Code § 9-0406(2).

(4) The city council may authorize the conduct of games of chance on a temporary basis, not to exceed forty-eight (48) hours, in conjunction with any state, multistate or national convention or competition, which authorization shall be subject to all other regulations established herein.

Section 3: Effectivity.

This ordinance shall be in full force and effect after publication thereof, as provided by law.

Brandon Bochenski, Mayor
Dated: _____

ATTEST:

Maureen Storstad, City Auditor
Dated: _____
Introduction and first reading: _____
Public Hearing: _____
Second reading and final passage and approval: _____
Approved: _____
Published: _____

ORDINANCE NO. _____

An ordinance to amend Grand Forks City Code §§ 9-0401(2), 9-0404(1), 9-0406 relating to gaming and site authorization of gaming.

BE IT ORDAINED by the City Council of the City of Grand Forks, North Dakota, pursuant to its home rule charter, Grand Forks City Code and N.D.C.C. ch. 40-11 that:

Section 1: Amending Clause to Amend Grand Forks City Code § 9-0401(2).

Grand Forks City Code § 9-0401(2) is amended to read as follows (the amending language in bold, with deletions stricken through and additions underlined):

9-0401. - Definitions.

The following words and phrases, as used in this section, shall be defined as follows:

* * * *

- (2) *Eligible organization* **has the same meaning as an “eligible organization” defined in North Dakota Century Code § 53-06.1-01. means bona fide nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, and other public spirited organizations as defined by Chapter 53-06.1 of the North Dakota Century Code, which may be licensed by the attorney general or authorized by the governing body of the City of Grand Forks to conduct games of chance.**

* * * *

Section 2: Amending Clause to Amend Grand Forks City Code § 9-0404(1).

Grand Forks City Code § 9-0404(1) is amended to read as follows (the amending language in bold, with deletions stricken through and additions underlined):

9-0404. - General provisions.

All licensees receiving authorizations to conduct games of chance upon the sites within the City of Grand Forks shall be required to comply with the following regulations upon approval of such application:

- (1) **Effective through June 30, 2027, no ~~No~~ eligible organization shall conduct games of chance at more than ten (10) locations within the city. Effective from and after July 1, 2027, no eligible organization shall conduct games of chance at more than five (5) locations within the city.**

* * * *

Section 3: Amending Clause to Amend Grand Forks City Code § 9-0406.

Grand Forks City Code § 9-0406 is amended to read as follows (the amending language in bold, with deletions stricken through and additions underlined):

9-0406. – Site authorizations.

- (1) The city may, in its discretion, grant site authorizations to eligible organizations to conduct gaming as provided by Chapter 53-06.1 of the North Dakota Century Code, subject to additional provisions **and qualifications** contained within this article.
- (2) **To receive a site authorization, the eligible organization must meet each of the following qualifications:**
 - (A) **The eligible organization’s principal executive office for its charitable purpose is located within Grand Forks County, North Dakota.**
 - (B) **The eligible organization has at least _____ employee(s) serving the charity’s charitable purpose resides within Grand Forks County, North Dakota.**
 - (C) **At least _____ member(s) of the eligible organization’s board that makes decisions on how the eligible organization’s charitable gaming proceeds are spent resided in Grand Forks County.**
- (3) **The eligible organization shall submit with its site authorization request a written statement certifying, under penalty of perjury, that it meets each of the qualifications described in Grand Forks City Code § 9-0406(2).**
- (4) The city council may authorize the conduct of games of chance on a temporary basis, not to exceed forty-eight (48) hours, in conjunction with any state, multistate or national convention or competition, which authorization shall be subject to all other regulations established herein.

Section 4: Effectivity.

This ordinance shall be in full force and effect after publication thereof, as provided by law.

Brandon Bochenski, Mayor

Dated: _____

ATTEST:

Maureen Storstad, City Auditor

Dated: _____

Introduction and first reading: _____

Public Hearing: _____

Second reading and final passage and approval: _____

Approved: _____

Published: _____

SITE AUTHORIZATION INFORMATION

(as provided at Committee of the Whole 07/28/2025)

City of Grand Forks Site Authorizations limited to 10 per organization

- Prior to 04/01/2019 limit was 7 per organization
- Limit was increased after requests of organizations and license holders, as there were more sites available than organizations were able to fill with the cap of 7 sites
- City Code Chapter IX, Article 4 contains regulations for gaming.

Site Authorization limits in other similar North Dakota cities:

- **Fargo:** 5 sites per organization, plus ability for each organization to have 1 raffle only site (Gambling Requirements adopted by City Commission 02/21/2023)
- **Bismarck:** 5 sites per organization, not including any site authorization for use on a commercial passenger vessel operating on the Missouri River. (City Code Title 6-06-04(6))
- **Minot:** 8 sites per organization, also allows organizations to have 1 day special event sites. (City Code Chapter 18, Article 3, Division 10, Section 18-186)

Limiting who is eligible to hold site authorizations in Grand Forks:

- HB1615 was passed in the 2025 Legislative Session. (Copy attached)
- Provides that Cities may only deny a site authorization if they adopt a policy or ordinance that sets eligibility criteria for who can hold a site authorization in the city.
- The bill also provides information on some restrictions that are and are not allowed in the policy or ordinance.

List of Gaming Sites as of July 28 and organizations holding the site authorization:

(List attached, as presented at COW 07/28/2025)

List of businesses holding an alcohol license that do not currently have charitable gaming:

(List attached)

List of Alcohol Establishments in Grand Forks that are owned/operated by gaming organizations:

- Cookie's Lounge – RG Investments, Inc (Development Homes)
- Southgate – DBLS, Inc (NDAD)
- The Diamond – Diamond Lounge BLCDMND, Inc. (Grand Forks Blue Line Club, Inc)
- Johnny's Lounge – RG Investments, Inc (Development Homes)
Ownership change pending

All of these establishments continue to pay property tax even after ownership change to the non-profit.

There is currently an interim legislative study on charitable organizations owning alcohol establishments where they operate gaming.

Gaming Site Authorizations

Capped at 10 sites per charity

Organization	Location	Alcohol Class	Allows Minors	Expiration Date	
Jorgenson American Legion Post 181 Thompson	Northern Air Family Fun	3	N	6/30/2026	2
	Downtown Axe	3	N	6/30/2026	
Citizens Assistance Program Grand Forks	Kegler Lounge (Red Ray Lanes)	9	N	6/30/2026	1
Development Homes Grand Forks	Charlie's	1	N	6/30/2026	10
	Cookie's Lounge	3	N	6/30/2026	
	Denny's Tavern	1	N	6/30/2026	
	Joe Black's	1	N	6/30/2026	
	Johnny's Lounge	1	N	6/30/2026	
	Kelly's Bar	1	N	6/30/2026	
	Rumors Lounge	1	N	6/30/2026	
	The Hub Pub	1	N	6/30/2026	
	The Office	1	N	6/30/2026	
McMenamy's Tavern	1	N	6/30/2026		
Grand Forks Blue Line Club Grand Forks	Diamond Lounge	1	N	6/30/2026	4
	Long Haul Saloon	1	N	6/30/2026	
	River Cities Speedway	6	Y	6/30/2026	
	Sin Bin	4	N	6/30/2026	
Grand Forks Children's Museum	Las Delicias De La Abuela	4	Y	6/30/2026	3
	Kasper's (Starts 01/01/2026)	1	N	6/30/2026	
	Sledster's	1	N	6/30/2026	
	Rhombus Guys	4	Y	6/30/2026	
The ARC Upper Valley	Raffle Only	N/A	N/A	6/30/2026	
Grand Forks Curling Club	Raffles only during curling events	N/A	Y	6/30/2025	
Grand Forks Youth Hockey Grand Forks	Icon - (for raffles during hockey season)	N/A	N/A	6/30/2026	3
	Buffalo Wild Wings	4	Y	6/30/2026	
	Little Bangkok (proposed)	3	Y	6/30/2026	
	Ramada	5	N	6/30/2026	
Greater Grand Forks Senior Citizen Center	Senior Citizen Center (Raffle events held over the year)	N/A	Y	6/30/2026	
Horse Race ND	Albatross	3	Y	6/30/2025	1
Listen	Bonzers	1	N	6/30/2026	9
	Brick & Barley	1	N	6/30/2026	
	Broken Drum	1	N	6/30/2026	
	Bun Lounge	1	N	6/30/2026	
	Canad Inn	5	N	6/30/2026	
	Judy's Tavern	3	N	6/30/2026	
	Kaspers Bar (Transfers to Children's Museum 01/01/2026)	1	N	12/31/2025	
	O'Really's/Level 10	1	N	6/30/2026	
506 Pub	1	N	6/30/2026		
NDAD	Southgate	1	N	6/30/2026	1
Northern Prairie Performing Arts Fargo	Parrot's Cay	3	N	6/30/2026	3
	The Loft	1	N	6/30/2026	
	Varsity Ice House	1	N	6/30/2026	
RE Arena Inc Grand Forks	Ralph Engelstad Arena (Raffle drawings during hockey season)	8.3	Y	6/30/2023	
Special Olympics of ND	(Raffle Drawing at their office)	N/A		6/30/2026	

Total 37 permanent sites

37

Alcohol Establishments without gaming

Class 1 Alcohol License

(General OnSale)

Eagles Crest
Helix
The Toasted Frog

Class 3 Alcohol License

(Beer & Wine)

Archives
Board Room
Boss Pizza & Chicken
Half Brothers
Happy Joe's
House of Punjab
JL Beers
Kaizen
Mexican Village
ND Museum of Art
Northside Café
Taproom

Class 4 Alcohol License

(Food & Beverage)

Applebee's
Charras
China Garden
Ely's Ivy
Fuji
Ground Round
Harry's on Demers
Olive Garden
Sakura
Speedway
Texas Roadhouse

Class 5 Alcohol License (Hotel Motel)

Hilton Garden Inn
Olive Ann

* Class 3 restaurants are mostly all ages establishments, so while not stipulated in code to have a designated bar area, I believe that our City Council may require that to ensure no minors have access to the gaming. JL Beers is an exception and has chosen to be 21+.

** Class 4 and 5 would have requirements within City Code to designate a 21+ area as a "Bar" area in which the machines would have to be located that is in some way marked to control access.

Class1 establishments are 21+ so would not have that requirement , except for Eagles Crest which operates under a special designation and would need to designate and mark off a 21+ area for gaming.

**Sixty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2025**

HOUSE BILL NO. 1615
(Representatives Grueneich, Hagert, Koppelman, Vetter, O'Brien)
(Senator Roers)

AN ACT to amend and reenact subsection 2 of section 53-06.1-03 of the North Dakota Century Code, relating to securing approval for a gaming site authorization.

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 discretion of the governing body,~~The approved authorization must be recorded on a site authorization form that is to accompany the license application to the attorney general for final approval. An eligible organization may request a specific site location on the site authorization form.
 - (1) A governing body may deny a site authorization only in accordance with an ordinance or written policy adopted or amended following public comment. Under the ordinance or policy, the governing body:
 - (a) 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;
 - (b) May not deny a site authorization solely because the eligible organization has not conducted gaming at the site;
 - (c) May not require that an eligible organization be located at a specific site or require a site to enter a lease with a specific organization as a condition of site authorization;
 - (d) May require a signed agreement between an eligible organization and a site owner before approving a site authorization. The agreement must be contingent on securing approval for the site authorization from the governing body of the city or county;
 - (e) May limit the type of games ~~and,~~ the number of electronic pull tab devices or tables for the game of twenty-one per site, the number of sites the governing body may approve per licensed organization, and the number of sites upon which a licensed organization may conduct games within the city or county; ~~and~~
 - (~~e~~)(f) May establish qualifications for an eligible organization to receive a site authorization; and
 - (g) May charge a one hundred dollar fee for a site authorization.

- (2) This subsection may not be construed to prohibit a governing body from:
- (a) Creating and enforcing rules that are more stringent than state law regarding charitable gaming as otherwise permitted in code; or
 - (b) Denying a site authorization for just cause, including, after consultation with the attorney general, a violation of state law or local rules.
- 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 seventy-five dollar license fee for each city or county that approves a site authorization. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. 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 seventy-five dollar license fee for each city or county in which a site is located. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53-06.1-12.4. 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. The attorney general may deny issuance of a license or deny renewal of a license to an eligible organization that has obtained approval of site authorization under subdivision a, if the organization or site is not in compliance with applicable laws and rules.

Robi Weir
Speaker of the House

Michelle L. Stricker
President of the Senate

Buell J. Reich
Chief Clerk of the House

Chanda Boyer
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-ninth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1615.

House Vote: Yeas 79 Nays 10 Absent 5

Senate Vote: Yeas 44 Nays 0 Absent 3

Buell J. Reich
Chief Clerk of the House

Received by the Governor at 9:25 A M. on April 14th, 2025.

Approved at 1:13 P M. on April 15th, 2025.

[Signature]
Governor

Filed in this office this 17th day of April, 2025,

at 8:23 o'clock A M.

[Signature]
Secretary of State