

Request for Relief for Licensed Charitable Gaming Organizations During the COVID-19 Crisis and Recovery from the Crisis

The COVID-19 pandemic is a serious public health crisis that is having a devastating impact on our state. With the closure of restaurants, bars, bingo halls and other entertainment establishments, charitable gambling has come to a grinding halt. While several relief measures have been put into place for displaced workers and small businesses, non-profit organizations engaged in charitable gambling have unique challenges and problems that would benefit from additional relief. These problems, if left unresolved, are likely to impact the long-term viability of many Veterans, Legion and other non-profit organizations across the state. Allied Charities of Minnesota urges the Gambling Control Board and the Minnesota Department of Revenue to support and seek approval from Governor Walz on the following:

1. Allow the Gambling Control Board to approve emergency loan requests by licensed organizations from either their general funds or their gambling funds to meet critical expense obligations. These loans could be used by organizations to meet general account bills unrelated to their current gambling expenditures, or used to meet expenses related to gambling like audit fees, accounting fees, or vendor obligations. The loans would need to be repaid within one year of the end of the current bar and restaurant shutdown.
2. Suspend the star rating system for FY2020. Paying employees during the shutdown or paying necessary expenses with no offsetting revenue or lawful purpose contributions will put many organizations in jeopardy of probation by the end of FY2020.
3. Allow checks to be written with only one signature if certain other safeguards are met. Requiring two signatures on every check will be very difficult and will force people to risk their health and violate the Governor's recently issued stay-at-home order. One signature, with approval provided by the organization's board (or gambling committee) via documented remote communication, would provide the necessary oversight.
4. Approve an across the board abatement of lawful gambling taxes while charitable gaming sites are closed. Thereafter, allow licensed gaming organizations to delay paying gambling taxes (if they so choose) for up to three months after the conclusion of the current bar and restaurant shutdown period. Monthly returns will still need to be filed by the 20th of each month, but no taxes will be due until two months after the resumption of business operations.

ACM sincerely appreciates the work already done by the Department of Revenue and the Gambling Control Board to help ease the hardship and uncertainty of the current situation. We recognize the seriousness of this crisis and we want to do our part to ensure the health and safety of all Minnesotans. Our goal at ACM is to have every licensed organization back in business as soon as possible so that the people they serve can once again benefit from charitable gambling donations. We believe that these steps will help to ensure that goal.

Regards,

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Richard Jaranson ACM President

