

TESTIMONY IN OPPOSITION OF
HOUSE BILL NO. 1444
HOUSE AGRICULTURE COMMITTEE
JANUARY 28, 2021

Plains Art Museum urges a DO NOT PASS recommendation on HB 1444.

Chairmen Johnson, Agriculture Committee members, my name is Karen Breiner and I appear before you today on behalf of Plains Art Museum in opposition of HB 1444.

Plains Art Museum is an accredited fine arts museum in Fargo, ND. Plains Art Museum has conducted charitable gaming since 1982 which has helped give them the ability to offer special exhibitions, classes, lectures, studios, collaborations with other disciplines as well as social events and performances.

There are over 270 charitable gaming organizations in the state of North Dakota. These charities, just like Plains Art Museum, depend on the net proceeds generated by charitable gaming to continue their charitable missions.

House Bill 1444 impacts charitable gaming for several reasons:

- House Bill 1444 allows Historic Horse Racing (HHR) machines not meant to benefit charities. This is a casino bill – it will create an unlimited amount of stand-alone casinos that can be built anywhere in North Dakota, including the middle of major cities. They will be directly competing with the current charitable gaming market.
- There is no limit on the number of machines that can be put in each casino. Charities have a limit of 10 pull tab devices per location.
- The HHR maximum bet allowed is **\$25**. Electronic pull tab devices allow for a maximum bet of **\$2**.
- If passed the Horse Racing Commission will regulate the casinos, **NOT** Gaming Division of the Office of Attorney General. This gives the horse racing industry major financial and regulatory advantage over the charitable gaming market because the racing commission has less stringent regulations.

House Bill No. 1444 tries to make you believe that this bill is a Charitable Gaming Bill. In-fact the requirements of operating Off-Track Betting (OTB) and a requirement of at least 35 machines per location will make it almost impossible for any small charity to enter the market. Some of the costs are:

- Off-Track Betting fees of \$8,000 to \$10,000 per month.
- Cost of devices, either leased or purchased (we were not able to get a number for this).
- Other Organization costs include:
 - Staffing
 - Security
 - Cash flow
 - Rent to bar owners (\$3,000/month)
 - Promotion
 - Remodeling/Infrastructure

At the end of the day there is no guarantee that any of the money generated will go to a charitable purpose. This bill raises money earmarked for the North Dakota racing industry, rather than the array of charitable causes being funded by the traditional Charitable Gaming. This is a big move toward privatized gaming. The manufacturers and service providers control the product and pricing, locations, terms of contracts and will take their cut of the pie first.

This bill is not good for North Dakota Charities and not good for North Dakota. Plains Art Museum would appreciate a DO NOT PASS recommendation for HB 1444.

Thank you for your time.