



Testimony in support of HB 1162

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D41 Resident and CEO of Boys & Girls Clubs of the Red River Valley

Good morning Chair Bell and members of the Finance and Taxation Committee. Thank you for allowing me to share my testimony in support of HB 1162.

I open with a respectful request that you consider this bill as an opportunity to help charities succeed; rather than viewing online raffle sales as too difficult to regulate.

My name is Robin Nelson. I have the privilege of serving as the CEO of the Boys & Girls Clubs of the Red River Valley. Ours is a local, 49 year-old non-profit organization offering youth-development programming in 13 sites in Fargo, and is a charter member of Boys & Girls Club of America. We provide out-of-school youth development programming to ages 5-17 for children from families of all socio-economic levels. Our local organization is a licensed-childcare provider that, in a typical year, serves about 600 children every day.

Currently, 82% of children attending our programming have a parent classified as an essential worker. As such, we provide those parents peace of mind knowing their children are in a safe and productive environment – enabling their thoughts and efforts to be focused on their very important work of helping our community. We are able to provide these important services at a cost proportionate to each family's ability to pay; and we do so by subsidizing our revenue with charitable gaming, donations and fundraising events.

Non-profits such as mine help prevent many from seeking financial assistance from the government, or perhaps more appropriately stated, taxpayers.

Please humor me while I share a quick story about why I sought legislation such as HB 1162.

We, at our local Boys & Girls Club, were planning a new family-friendly community fundraising event to be held in September of 2020 called a Duck Pluck. Duck Plucks and Duck Races are a common fundraiser in most states across the country. I ask you to try to visualize 5,000 "adopted" yellow rubber ducks with numbered tags being poured into a body of water before a few of the luckiest ducks were plucked to win some substantial, donated prizes. Our event was to be held in a city park with several fun, family-friendly activities scattered throughout. We expected \$53,000 in revenue by selling sponsorships and ducks adopted through a portal provided by a company that conducts 100's of similar events annually throughout the country.

We were working closely with the State's charitable gaming division while planning our event. It was not until we began selling duck "adoptions" through the online portal that we were informed we could not continue. We were told numbered yellow rubber ducks are considered a form of a raffle ticket, and that gaming regulations only allow for cash transactions. We were abruptly forced to cancel the event and return sponsorship and adoption dollars. Dollars that would have fed our kids...dollars that would have bought STEM curriculum to prepare our future workforce.....dollars that would have paid our staff of 120 employees to help our kids prepare for a great future.

Please know I was so frustrated by this limitation to fundraise for my kids, I initially threatened to don my duck costume while providing this testimony; however, I came to my senses and admitted it would be more respectful to present my position to you in a more professional manner.

Please remember my opening statement regarding helping charities succeed as opposed to focusing on the regulation component. I have been made aware that the charitable gaming division is expressing concern that an additional FTE would be necessary to monitor online raffles if this bill were to pass. I respectfully submit this perspective: If my little organization lost out on \$53,000 for one year, one state-employed FTE would certainly make up for the difference for two events such as mine - events that fund similar non-profits that help children in need. If so many other states can manage online raffles, I am confident my great state of North Dakota can do so as well.

I do not know about you, but I rarely carry cash anymore. On most days, I would be unable to purchase a \$5.00 raffle ticket from a friend whom I randomly encounter. However, if that same friend invited me to alternatively purchase a raffle ticket online, I would readily do so with a debit card to support the charity that is important to them.

I have been told raffle fundraisers do not contribute to gambling addictions due to the delayed sense of gratification.

I have also been told our State regulatory agency is concerned that it may not be able to prevent out-of-state raffle-ticket purchases. My response yet again is that I am confident my great state of North Dakota can certainly make it happen if we set our mind to it.

Thank you for your time and serious consideration of HB 1162, and I respectfully ask for your support. I welcome any questions.





