

# HCR3002

January 15, 2025

To whom it may concern in the House Judiciary committee for the state of North Dakota,

My name is Nicholas Lelito and I am writing in support of HCR 3002 which is relating to legalizing sports betting. This bill has been heard on previous occasions going all the way back to 2023. Adjustments have been made according to previous criticisms and recommendations from previous hearings.

I believe that, we as citizens of the state of North Dakota, should have the ability to legally sports bet to the fullest of its capacity as this bill intends to make it. Currently we have the ability to sports bet in a limited capacity at tribal casinos in the state which are located, primarily, large distances away from the most populated cities in the state of North Dakota. Even at these locations, the quality of bets that are able to be made are quite limited.

There are some current “nontraditional” options for betting on sports in the state of North Dakota other than traveling a distance to the tribal casinos which would include the daily fantasy apps of Prize Picks, Underdog, Sleeper and Fliff. These apps allow you to wager real money on “player props” across various types of sports including but not limited to the NFL, WNBA, MLB, NBA, NHL, professional tennis, golf and even college sports like college football and college basketball. These apps only allow you to wager on specific athletes and not specific teams or totals that this bill would allow the average North Dakotan to place a wager on. Other “nontraditional” options for a North Dakotan would include offshore sportsbooks, which run their payment and withdrawals through offshore sources cutting out the state and federal tax structure, private “bookie’ing” which individuals taking wagering stakes and even through traveling to states where sports betting is legal and placing wagers in that state which would cut out the state of North Dakota on any taxable revenue.

Currently 38 states have legal sports gambling in some limited capacity more than what the state of North Dakota has. Obviously there are states like Illinois, New York, New Jersey and Arizona that have large populations so large taxable revenue will be achieved. With that being said below are a few examples of states similar in population size and/or population mentality as the state of North Dakota where sports gamble is legal and

provides taxable revenue to the state(for reference the state of North Dakota had a census population of roughly 780,000 in 2023):

Delaware – population size of roughly 1,000,000 people took about \$71 million in bets with a revenue of \$9.8 million

West Virginia – population of 1.7 million people took about \$527 million in bets with a revenue of \$5.3 million

Iowa – population of 3.2 million took about \$2.2 billion in bets with a revenue of \$12.3 million

Wyoming – with a population of roughly 560,000 people took \$156 million in bets with a tax revenue of \$1million

Montana – with a population of 1.1 million people. Sports gambling only legal by machines and not via the phone where residents have to go to local bars or gas stations to place the bets. These are spread across the state and not just at Casinos took \$59million in bets and had \$1.3 million in revenue.

#### [Sports Betting Tax Revenue: States, Sportsbooks, and Consumers](#)

Although no 2 states are equal in size and population distribution, these examples highlight the amount of money that is currently being wagered within these states and the ability to collect revenue for each state with minimal infrastructure needed by that specific state. The companies that allow for legal wagering would provide the majority of the technology and reporting of earnings to the state of North Dakota each year.

The state of Montana is a great example of the fact that even in a limited capacity a large some of money is being wagered and taxes are being collected on the winnings.

There have been numerous oppositions to this bill specifically citing concern for addiction and loss of wages for the state of North Dakota. This state as well as local municipalities allow for the ability to have any legal aged individual (21 or older) to enter a bar and play games of chance like pull tabs, electronic pull tabs(e-tabs) machines, blackjack or on some occasions “pig wheel.” These games of chance currently have legislation that states that a portion of the earnings goes towards a local charity which in most cases are local youth sport clubs. Some of the revenue still goes to the bar or establishment as well as the companies that hire the workers or service the machines. Even though these games of chance are sponsoring local youth sport clubs the activity raising the money is still fundamentally gambling as would be sports betting. Whether you are placing a wager on blackjack or betting on a sports team you are still gambling. You are

taking earned wages and making the decision to enter in a game of chance to “win a bet” knowing that you have a chance to lose and lose your earned money.

I do currently engage in sports betting in the state of North Dakota with the currently legal opportunities I have at my disposal. I also take advantage of gambling on sports while traveling to legal states within the United States. Sports betting in these legal states will take my taxable revenue outside the state of North Dakota and benefit that legal state I gambled in, rather than the one I currently live in. There are numerous examples of individuals traveling across state borders to legal states to sports gamble. This is especially true from residents who live close to borders in illegal states who travel to a state where it is legal, as the news article highlights below.

[No more driving across state lines, Kentucky sports betting is now live](#)

The state of North Dakota has the ability to pass legislation that would allow its citizens to place wagers on sports teams and gain taxable revenue to put towards statewide needs without raising the state income tax, property tax or even sales tax which would affect every citizen. As previously stated above, there are many avenues that a North Dakotan can already gamble on sports however it is quite limited. We have the ability to open up an untapped source of revenue for the state of North Dakota and capture taxable revenue to help advance our state’s prosperity.

I urge the committee to give a PASS vote to the resolution currently on the table for HCR3002 to allow legal sports betting in the state of North Dakota.

Thank you for your time,

Nicholas Lelito