

SB 2296 and SB 2310

Hearing 11am 2/10/21

Senate Finance and Tax

Good morning Madam Chair Bell and members of the Senate Finance and Tax Committee. My name is Mike Motschenbacher and I am testifying on behalf of the ND Gaming Alliance

We are urging a DO NOT PASS recommendation for both SB 2296 and 2310.

Both bills are an obvious attempt to highly discourage or eliminate E-Tab machines in the state. We agree with the sentiments that the other organization that have also submitted testimony in regard to the numbers of machines, additional regulations, additional members added to the gaming commission and so on. There are two other points I'd like to add to their testimonies.

Hospitality. I have spent the past 30 years in the hospitality industry while managing one of the local hotels here in Bismarck. It is highly likely that no other industry has been hit harder from COVID 19 than the hospitality industry. I've seen it first-hand. The mandatory shutdowns and limitations have crippled bars and restaurants. Restrictions on number of people that can attend events and limitations on travel have decimated hotels. Senate Bill 2296 and SB 2310 will require that somewhere between 900-1200 machines be eliminated from the state. Many of these hotels, bars, and restaurants need the additional income they receive from the machine rentals. It would be detrimental to throw this onto the hospitality industry in a time when they are struggling to recover and hopefully survive this pandemic. Not only do they benefit from the machine rent, the customers that will be playing the E-Tab machines will also be ordering food and beverages while they are at these establishments. The E-Tab machines NEED to be allowed to remain in the bars, hotels, and restaurants. There is no reason to kick these businesses while they are down. We need to do everything we can to allow these businesses to survive and not pose any further restrictions on them.

Secondly, the payouts. requiring an 88% payout will simply provide an unfair advantage to tribal casinos who can pay out higher percentages, thus making their machines more attractive. Studies have proved that the "magic number" that provides the most play and benefit is around that 92%. Our group believes in fairness for all involved in charitable gaming, including the tribes. We believe we should live under the same laws and restrictions when it comes to this type of gaming and the charities should be able to determine their own payouts as to what would benefit them and their communities which they support.

Once again, we urge a DO NOT PASS recommendation and certainly feel free to contact me with any questions. Thank you so much for your time.

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