

## Testimony of SB 2296

Madam Chair Bell and honorable members of the committee.

My name is LaRoy Kingsley from Mandan ND. I own KK Bold a full-service advertising, marketing, and public relation firm with offices in Bismarck and Minot. I am here today representing the United Tribes Gaming Association and to ask that this committee send a DO Pass on SB 2996.

Currently my agency is entering our 32<sup>nd</sup> year in business. For 26 of those years, we have had the distinguished pleasure of being the Agency of Record for Prairie Knights Casino and Resort which is owned by the Standing Rock Sioux Tribe. My firm is also the agency of record for the ND Lottery although I am not here to speak on their behalf today. We also work with several tribal and commercial gaming entities across the US and we are considered one of the top casino marketing firms in the country.

SB 2296 is in the best interest of all gaming related entities currently in the state including tribal, charitable and the lottery.

E-tabs began in the market around August of 2018

These figures are from April 2019 thru March 2020

Total Adjusted Gross Revenues for all charitable gaming during this period was \$98,648,000

Of this total e-tabs represented Adjusted Gross revenue of \$71,092,000 or approximately 73% of all charitable gaming

Again, these figures begin approximately 8 months into their existence.

E-tabs gross proceeds grew by an average of 17.2% each qtr. during this period

There are 311 charitable, fraternal etc. groups licensed in ND

Of those, 20 groups control 193 of the 561 total licensed sites in the state. 35% of all sites.

These top 20 had Adjusted Gross Proceeds of \$44,200, 226 or 45% of the total although they only represent 7% of all licensed organizations.

35% of the population consider themselves a gambler. This number has remained consistent for the past 10 years. 49% have gambled in the past year.

What e-tabs represent is an unprecedented expansion of gaming in North Dakota and a historic shift in where gamblers are spending their money. The pie is being divided up into much smaller pieces and the tribes, because of their location disadvantage and the unfair regulations are sustaining the largest share of the loss.

Tribal gaming in the state combined has around 5000 machines. There are already 3400 e-tabs machines, and that number continues to grow. That is like adding nearly 3.5 more casinos to a limited market. Now, not only are some Tribal Casinos down as much as 40% during this period we are seeing a huge separation between the haves (top 20) and the have-nots (other 291) charitable gaming groups. Many of these smaller groups cannot afford or cannot find space for adding e-tab machines to their program so they are left with their traditional blackjack and pull-tabs for gaming revenue. Both of these games are also down significantly.

Blackjack (twenty-one) is down -\$466,952

Pull-tabs (paper only) are down -\$1,109, 397

Paper pull-tab dispensing machines are down -\$762,813

In closing, charitable gaming and tribal gaming have worked together hand in hand for over 25 years. During this time both sides were able to see consistent growth and important proceeds that hugely benefitted their people. Now with the unregulated explosion of e-tab machines the balance is gone, and some groups are realizing devastating losses while one small group, dominated by out of state interests, is reaping massive profits. SB 2296 looks to undo some of the damage and get the states gaming industry back to a fair and equitable playing field for all involved. Please vote yes.