

SB 2309

Senate Finance and Tax

Monday, February 1<sup>st</sup>, 2021.

Good morning Senator Bell and members of Senate Finance and Tax committee. My name is Mike Motschenbacher and I'm testifying on behalf of the ND Gaming Alliance.

We are asking for a strong DO NOT PASS recommendation from your committee on Senate Bill 2309 for several reasons.

In section 2.2 it states that prizes may not exceed 88% of the gross proceeds. This is simply very bad. Our members would like to have the ability to determine their own payout percentages as to be able to compete in a free-market environment and not be forced to have the same payouts as everyone else. This is no different than "price fixing" in our minds and takes away the competitive edge that the charities otherwise could have. This is just like every gas station in North Dakota being forced to sell gasoline at the same price and is an extremely bad part of this bill.

In section 3 of this bill where the taxes are being adjusted, we believe the tax percentages are too high. When the people of ND voted to allow charitable gaming, it was to benefit charities who then in turn could use their proceeds from gaming to provide good and needed benefits in their communities. We agree that gaming needs to be regulated properly, but the amount of money that would be generated would be well over and above the amount that would be needed to properly regulate the gaming industry. It is our position that the Attorney General's office should get what they need to regulate properly, and the remaining funds should be up to the charities to distribute as they see fit in their communities.

I thank you for your time and consideration and urge you to vote NO on Senate Bill 2309.

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