



## NORTH DAKOTA SENATE

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### Senator Richard Marcellais

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### COMMITTEES:

Education  
Government and Veterans Affairs

### **Senate Bill 2158**

***Chairmen Vedaa members of the Senate Government Veteran Affairs Committee, my name is Richard Marcellais, Senator from District 9 Rolette County.***

#### ***Horse Race Commission:***

- a. Regulates, inspection licensing***
- b. Provide funding through the promotion, breed & purse funds.***
- c. 2 current tracks N.D. Horse Park in Fargo & Chippewa Downs Turtle Mountains  
Belcourt, North Dakota***

#### ***License & Taxes:***

- a. ADW's (15), Site Operator's (4), Totalizators (7), Racetrack's (2)***
- b. Taxes to general, promotion, purse & breed funds***
- c. License & administrative Fee's to operating fund***
- d. Wagering handle and tax numbers were down in 2019 and increased significantly in 2020***

#### ***Reinventing Government:***

- a. Leverage New Technologies***
- b. Currently 2 FTE, Director & Administrative Officer. Looking at combining 2 or more contracted position into temporary part-time staff.***
- c. More oversight and flexibility***
- d. Stay current on emerging technologies***
- e. Go paperless***

**Behavioral Health & Addition:****Lutheran Social Services Gamblers Choice Program**

- a. *Provided \$40,000 in grants over 5 years*
- b. *Work with Lutheran Social Services to develop targeted adverting and teaching products*
- c. *Pro-action approach by the Commission*
- d. *Very low incidence of problem gambling involving Pari-mutual Wagering in Lutheran Social Service Programs*

**Tribal Engagement:****Significant improvements in Tribal relationships**

*Last several years the North Dakota Racing Commission has developed much better working relationship with the Tribal Community and has provided equal support to both Chippewa Downs & the North Dakota Horse Park. The last 3 years temporary licensing staff have been hired from the Turtle Mountain area.*

*Operate Chippewa Downs 4-5 weekends a year and looking to expand race days.*

*Traditionally one Commissioner from Tribe Current: Dr. Shane Martin*

**Tribal Engagement:****Turtle Mountain Band of Chippewa**

*Roughly 60% of horsemen from the reservation and race and work at both tracks*

*Unique activity with many ways to become involved.*

*Over \$2.5 million grants to tribe in last 7 years*

*\$210 thousand to facilities and equipment*

**Transforming Education:**

- *Partnering with our Universities*
- *Student Internship program with the North Dakota Racing Commission*
- *Student Internship Program with Outdoor Recreation Development Association (ORDA) and Horse Racing North Dakota*
- *Learn/Partner with Rillito Park and University of Arizona. The sponsor of this program is a licensed Advance Deposit Wagering (ADW) in North Dakota (PariBet).*

***PariBet works to strengthen the racing industry through Educational partnerships providing real world experience for students. They are willing to assist as well.***

- ***Partner with Dickinson State University Agriculture Department, Turtle Mountain Community College, North Dakota State University using the North Dakota State Government Student Internship Program.***
- ***Hands-on Internship.***

***Main Street Initiative:***

***Racetracks provide alternative entertainment venues***

- ***Provides for both tourism and local community interest. Revitalize County Fair Races and possibly a new Track location***
- ***Very family friendly outdoor events***
- ***Unique activity with many ways to become involved***

***Underserved Communities***

***In Belcourt, provides much needed jobs and economic impact through purses and breed fund***

***Economic Impact***

- ***\$25 Million per year in economic impact per NDSU 2016 Study***

***FUTURE:***

1. ***Maintain/Increase ADW Licensees***
2. ***Use Current & Emerging Technologies***
3. ***Increase funding for Promotion, Purse and Breed Funds***
4. ***Maintain General Fund Balance***
5. ***Continue to improve Racetrack quality and safety***
6. ***Combine workforce.***

***Resources and Constraints:***

1. ***Losing the financial battle with other jurisdictions***
  - ***Drawing away Horsemen & ADW's for better opportunities***
  - ***Consolidation of ADW's***

- *In current environment the long-term financial outlook is not positive despite past short-term success*
- *Additional private & public support to the Horse Parks*

***Other Challenges and Issues:***

***1. N.D. Horse Park Viability***

- *Tax Increment Financing (TIF) Taxes an issue for long term success*
- *Unbalanced in their make-up from horse breeds*

***1. Chippewa Downs Viability***

- *Infrastructure Expansion Needed*
- *Roads, Parking, Jockey Quarters, Restrooms, Barns, Track Expansion*

***2. Expanding the Horse Racing Industry Base***

- *Internship Programs*
- *Creating Environment for young Horsemen and Women to enter the Horse Racing Industry*

***2021 Legislative Session and 2021-23 Budget:***

*During the next legislative session, we intend on submitting a clean-up bill to update language and practices being conducted in Horse Racing in North Dakota*

- *Funding Increase Request: Goal is to Maintain Self-funding*
- *Office Relocation- ADA Compliance, parking, customer access, AG Request*
- *Internship Sponsorship*
- *Marketing*
- *Combine contracted positions to FTE's (Breed Fund Administrator, Licensing, Investigations, Steward)*
- *Positioning ourselves for success*
- *Emerging Technologies and expanded opportunities*
- *Marketing/Branding*
- *Expanding Live Racing in State (New Track(s), County Fairs, Indian Relays)*

*Thank You very much for the opportunity to appear in opposition of Senate Bill 2158. If there are any questions, I will try and answer them.*