



NORTH DAKOTA

Family Alliance LEGISLATIVE ACTION

Testimony Opposing House Concurrent Resolution 3002

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Good morning Chairman Klemin and honorable members of the House Judiciary Committee. My name is Jacob Thomsen and I am a Policy Analyst with North Dakota Family Alliance Legislative Action. I am testifying on behalf of our organization in opposition to House Concurrent Resolution 3002 and respectfully request that you render a “DO NOT PASS” on this resolution.

As we all know by now, in May 2018, the Supreme Court struck down a 1992 federal law that effectively banned commercial sports betting in most states. As a result, many states, including ours, have been looking at potentially legalizing sports betting ever since. But at what cost?

ROOT FOR THE HOME TEAM

The first issue our organization has with legalized sports betting is devaluation of sports for its own sake. In other words, fundamentally changing the meaning of American sports. As writer Scott Taylor eloquently puts it, “Betting on games subtly but profoundly shifts our focus away from the game itself — the sport for the sake of the sport — and instead encourages us to experience the game as a means of measuring and grasping for money. In doing so, it violates everything that, as children, drew us to sports in the first place.”

Another author makes this point: “If you want to magnify the attention paid to the lowest and most cynical motives of the audience rather than emphasizing the skill, hard work and integrity of the athletes, just legalize betting on people the way we now bet on horses and dogs.”

JUST ONE MORE BET AND THEN I’LL STOP

The second problem we have with this resolution is associated with compulsive gambling and gambling disorders. Historically, roughly 2.6 percent of the United States population suffers from some form of gambling addiction or compulsion to gamble, which often harms them or their family. Many sources place the incidence even higher.

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I am not going to go into detail about the harms of gambling addiction – we’ve all heard them many times – but I ask you to please take this into serious account when considering this resolution. If sports gambling is encouraged and is eventually made legal, more people are likely to gamble. It’s a fact. And as more people gamble, more are likely to hurt themselves, their families, and their communities through excessive gambling. Any policy decision is about tradeoffs, and this is a big one.

SHOW ME THE MONEY

And now we come to the crux of the issue for many; additional revenue to the state of North Dakota from taxation of sports betting. The states that have legalized sports betting and for which reliable information exists, have seen very small percentage increases in their state budgets from legalized sports betting tax revenues, as shown in the following table.

Percentage Increase in Annual State Budget Revenues from Sports Betting

<i>State</i>	<i>Percentage Increase</i>
<i>Nevada</i>	0.5%
<i>New Jersey</i>	0.1%
<i>Rhode Island</i>	0.25%
<i>Mississippi</i>	<1%
<i>West Virginia</i>	<1%

Source: *Sports betting not a financial home run for states.* Insider. Jan 2, 2019.

Sports betting is not some sort of financial panacea. Yes, the state of North Dakota would gain more revenue, but remember that with the May 2018 ruling, we are not the only state eyeing sports betting. These numbers are not going to go higher, but if anything, lower.

Also, on the topic of money, gambling has always been a regressive tax on those with lower incomes. As Hamilton Nolan states in an article from this February, “Yes, the odds of sports betting, like every other type of gambling,

are fixed so that the house will always win in the long run. States like to think of the tax revenue they bring in from legal gambling as free money from heaven, but it amounts to a regressive tax on citizens, aimed most intensely at those who are so desperate for financial

salvation that the vanishing hope provided by the idea of hitting the lottery is worth the certainty that you will, in fact, not hit the lottery.”

THE PROBLEM

Let me leave you with this. With roughly 775,000 residents in our state and using the previously noted average statistic of 2.6 percent of people with gambling addiction, that means 20,150 North Dakotans already have problems with gambling. These problems are only going to be made worse if we start down the path of legitimizing sports betting.

This estimate does not even include those who don't have problems now but would be added to this number because of sports betting. So, this is the problem. Is it morally justifiable to earn a fraction of additional annual state budget revenue off of those with gambling problems? We at North Dakota Family Alliance Legislative Action certainly don't think so.

CONCLUSION

Sports betting is bad social policy, it is bad economic policy, and it is bad governmental policy. The thing to remember is that you – the body that represents all North Dakotans – are responsible making that first decision that will likely lead to the inevitable legalization of sports betting in our state. It will either stop here, or begin here, but once that genie is out of the bottle, it cannot be put back in. It is your responsibility to make that important decision which will affect our state for generations to come.

For these reasons, North Dakota Family Alliance Legislative Action respectfully asks that you please vote House Concurrent Resolution 3002 out of committee with a “DO NOT PASS” recommendation.

Thank you for the opportunity to testify and I am now happy to stand for any questions.