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TESTIMONY IN SUPPORT OF HOUSE BILL NO. 1115

By Lance Gaebe, Director of the North Dakota Lottery

Senate Judiciary Committee
March 1, 2023

Chairman Larson, and members of the Senate Judiciary Committee, my name is Lance Gaebe. I am the director of the North Dakota Lottery, a division of the Office of Attorney General. The Lottery requested introduction of and supports House Bill 1115. The bill will clarify that individual retailer lottery sales data remains confidential under state law, but that aggregated sales information can be public.

Lottery Background

The North Dakota Lottery conducts five multi-state games: Powerball®, Mega Millions®, Lucky for Life®, Lotto America®, and 2by2®. The mix of games provides jackpots starting from \$22,000 to \$20 million. As stipulated in the state constitution, all the games North Dakota Lottery offers are multi-state offerings, it does not sell scratch-off or instant tickets.

In Fiscal Year 2022, there were approximately \$29.2 million of lottery ticket purchases in North Dakota. Slightly more than half of lottery ticket revenue is paid out in prize money. In the first year of the current biennium, the Lottery transferred \$5.6 million to the General Fund, \$800,000 to the Multi-Jurisdictional Drug Task Force Grant Fund, and \$320,000 to the Compulsive Gambling Prevention and Treatment Fund. Similar transfers are underway and anticipated in the second year of the biennium.

Across the state, 445 gas stations, convenience stores, and grocery stores are licensed to sell North Dakota lottery tickets. In 50 of these locations, in addition to employee operated lottery terminals, there are self-service PlayCentral® terminals. The devices are placed in visible areas, so their use can be monitored by retailer staff, to help ensure only adults play. In calendar year 2022, these businesses earned \$1.6 million in sales commissions and \$42,000 in bonuses.

Retailers can verify and pay low tier winning tickets, but any \$600 or higher winners must be redeemed by the Lottery office.

House Bill No. 1115

The North Dakota Lottery proposed the statutory change outlined in House Bill 1115 to clarify retail sales records confidentiality.

In its 20-year history, the Lottery has generally provided total ticket sales information to public information requesters, budget makers, and in its own annual reports. However, North Dakota Century Code § 53-12.1-11(1)(e) stipulates that retail lottery sales data is confidential if its disclosure impacts the competitive position of the lottery, a retailer, or an entity doing business with the lottery. This bill is offered to clarify that it is okay for the Lottery to release combined retail sales information.

The proposed change makes clear that individual retailer lottery sales data remains confidential, but that total or aggregated sales data can be released to reporting firms, policy makers, and as provided in Lottery's own publications. North Dakota Lottery sales records can remain confidential if the information could be identified with a specific retailer.

Thank you for the opportunity to appear before the Committee in support of House Bill 1115.

I would be happy to answer any questions.