Testimony in Favor of
SENATE BILL NO. 2281
Senate Judiciary Committee
January 23, 2023

Madam Chair Diane Larson, Senate Judiciary Committee members, for the record my name is Rick Stenseth. I have been in charitable gaming since 1983. I am a Gaming Manager for two local organizations in Fargo that both conduct charitable gaming (Northern Prairie Performing Arts (NPPA) aka Fargo-Moorhead Community Theatre & Team Makers Club). I am submitting this testimony through our NPPA lobbyist, Todd D. Kranda, an attorney with the Kelsch Ruff Kranda Nagle & Ludwig Law Firm in Mandan.

NPPA is favor of SB 2281, with the amendment as proposed. The specific changes are regarding electronic 5050 raffle and online raffle manufacturers annual license fees. Both game type manufacturers are being combined under "electronic raffle systems" in this bill and placed in the same category as other game type manufacturers such as pull-tabs, and e-tabs. Neither of these raffle game types are as prevalent or involve the kind of play that is conducted with those games.

I have operated electronic 5050 raffles for several years, conducting approximately 8-12 annually. At this time only one other organization conducts these same raffles in Grand Forks (UND Sports). Since the adoption of electronic 5050 raffles, the manufacturer's annual license fee has been $500. The change proposed in the original bill increases this fee to $5,500. Changes to e-tabs are increased by just $1,500 (from $4,000 to $5,500). As online raffles are a new game, the fees will come in at $5,500 as well.

Categorizing "electronic raffle systems" identical to the other games is inequitable. Paper pull-tab dispensing machine manufacturers license fee will go up by $500 annually in this bill and "electronic raffle systems" are more in line with this game type. There is still a large discrepancy between the activity and monitoring of those machines and either of the raffle games. But nowhere near the differences as with the others.

The proposed amendment (copy attached) resets the position of "electronic raffle systems" in the licensing structure to be more appropriate. There are not widespread 5050s and there is not a great likelihood that online raffles will amount to a significant number.

Setting the license fees at the amended amount of $1,000 still allows for contributions to the Technology Fund and the monitoring and policing of these game types. As important is the fact that these additional costs for licensing will be passed down to the organizations, meaning less for the charitable purpose. It also discourages competing manufacturers from trying to enter the North Dakota market and invest in meeting all the testing and reporting requirements the AG's Gaming Division and Administrative Rules require.

SB 2281 is a solid and positive bill, with the exception of the items in Section 3. We support the bill with the proposed amendments and urge a YES vote on the amendment and then a favorable DO PASS as amended on the bill.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2281

Page 2, line 25, remove "electronic raffle systems,"

Page 2, line 30, after the period insert "The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53 - 06.1 - 12.4." and remove the overstrike over "~~A~~"

Page 2, line 31, remove the overstrike over "~~manufacturer of~~" and insert immediately thereafter "electronic raffle" and remove the overstrike over "~~systems shall apply annually for a license and pay a~~"

Page 3, line 1, remove the overstrike over "~~license fee of~~" and insert immediately thereafter "one thousand" and remove the overstrike over "~~dollars.~~"

Renumber accordingly

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NOTE: After this amendment is made to SB 2281, subsection 1 of section 53-06.1-14 NDCC would provide as follows:

"1. A manufacturer of pull tabs, bingo cards, electronic quick shot bingo systems and devices, electronic pull tab systems and devices, or bingo card marking devices shall apply annually for a license and pay a license fee of five thousand five hundred dollars. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53 - 06.1 - 12.4. A manufacturer of paper pull tab dispensing devices shall apply annually for a license and pay a license fee of one thousand five hundred dollars. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53 - 06.1 - 12.4. A manufacturer of electronic raffle systems shall apply annually for a license and pay a license fee of one thousand dollars. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53 - 06.1 - 12.4. A distributor shall apply annually for a license and pay a license fee of two thousand dollars. The attorney general shall deposit twenty-five dollars of this fee into the charitable gaming technology fund under section 53 - 06.1 - 12.4. Application must be made before the first day of April in each year on a form prescribed by the attorney general."