

March 17, 2025

House Judiciary Committee
North Dakota House of Representatives

Re: OPPOSE SB 2384

Chairman Klemin, Vice-Chairwoman Karls and Members of the Committee,

My name is Robert Harms, I am speaking for myself and ask you to OPPOSE SB 2384. I'm a partner in Western Distributing a North Dakota gaming distributor located in Bismarck. We have 20 employees, 9 of whom are service techs who serve dozens of charities we do business with.

As introduced **SB 2384** was to allow gaming manufacturers to sell directly to charities—that was the goal. Here is the bill's history:

- Initially it was introduced as HB 1342; but was withdrawn by the sponsor.
- Strongly Opposed in Senate; 2 in favor; 21 OPPOSED
- Amended; allow manufacturers to “work directly with” charities for maintenance (new); a “foot in the door” for manufacturers--direct sales will follow in 2027.
- Passed the Senate by 1 vote (24 to 23).

THE BILL IS BAD FOR OUR STATE. Here's why:

DOGS:

- **Prohibits betting on dog-racing;** costs general fund \$60,000 and \$240,000 other funds in 27-29 biennium; Bad practice. The purse, breeders, and promotion funds are vital to North Dakota horse racing. The bill will hurt ND's horse park in Fargo.
- **Hurts ND horse-racing** because dog-racing betting supports ND horse-racing through “other funds” shown above. (Bettors from around the world play in ND).

GAMING:

- **Not ONE ND distributor or charity has testified IN FAVOR of SB 2384**
- **Not ONE manufacturer has testified IN FAVOR of SB 2384; all who have expressed a view are OPPOSED to the bill.**
- Charitable Gaming Association of ND (CGAND) is **OPPOSED** SB 2384.
- ND Gaming Alliance **OPPOSED** SB 2384
- **SB 2384 threatens ND businesses.** There are 16 gaming distributors in ND. They are ND companies who have been here for decades. They employ ND people,

support ND communities and pay ND taxes. Their revenues stay IN ND. SB 2384 policies will hurt, if not eventually destroy them.

- **SB 2384 begins to diminish competition.** Allowing manufacturers to “work directly with charities” will lead to direct sales; will erode ND’s distributor network and will stifle competition from new, smaller manufacturers. Eventually a few large multi-national manufacturers will dominate charitable gaming in ND.
- **The current model serves ND well.** Distributors, whether located in Fargo, Devils Lake, Williston or Bismarck are in touch with charities daily, to meet their needs and provide prompt service. This relationship has produced millions of dollars statewide to communities for the arts, sports organizations, economic development, and fraternal and veterans’ organizations. (In 2022: \$74 million went to charities and \$20 million to ND in gaming taxes). *CGAN Economic Impact Study*
- Finally, SB 2384 was brought purportedly as a result of complaints from unnamed charities, who have yet to testify or appear in support of the bill. We should never make public policy in North Dakota based upon innuendo, unsubstantiated complaints and hearsay. If you don’t show up, you shouldn’t influence the result.

There is NO legitimate policy reason to disrupt the current model that serves well, our State’s charitable gaming community. Please vote DO NOT PASS on SB 2384.

Robert W. Harms,
Williston, North Dakota