

Testimony in Opposition to SB 2384

69th Legislative Assembly

House Judiciary Committee

March 10, 2025,

Testimony of Bruce A. Johnson, Executive Director, NDRC

Chairman Klemin, members of the House Judiciary Committee, my name is Bruce Johnson, and I am the Executive Director for the North Dakota Racing Commission. This Commission is the state agency responsible for live and simulcast horse and dog racing in North Dakota. I rise today on behalf of the Commission to provide testimony in opposition to Senate Bill 2384. Senate Bill 2384 aims to amend and reenact section 53-06.1-14, subsection 11 of section 53-06.2-01, and sections 53-06.2-07 and 53-06.2-10 of the North Dakota Century Code, relating to the maintenance of electronic pull tab devices and the elimination of dog racing; and to provide an effective date.

The racing commission is not interested in the parts of this bill dealing with e-gaming machines. We are extremely interested, (*concerned*), with the three (3) lines in this bill which seek to eliminate the wagering on Greyhound racing in the state. Since there is no greyhound racing in North Dakota, and only a very small amount of wagering being processed on dog racing thru our licensed OTB's in the state, this bill is directly aimed at our licensed and regulated Account Deposit Wagering companies.

If allowed to pass, SB 2384 will shut off approximately 10% of the race wagering processed thru our 16 ADW partners. This would then trickle down to affect the same 10% in the amount we tax our licensed ADW's. The amount wagered on Greyhound racing in our state is small when compared to how much is wagered on horse racing. What is significant, (one could go even further, and state is an existential threat to our horse racing industry), is the reaction we would face on the part of these ADW operators. Representatives of our five (5) largest revenue producing ADWs have stated to me privately, as well as in public testimony on the senate side, that if SB2384 passes they will immediately begin the process of moving their entire operations to a state that does allow for wagering on Greyhound races. If this happens, they will not need to look far as a license similar to the one we offer in Nd. exists in nearby states. The affect on our live racing program in the state of North Dakota would be devastating.

Currently the racing commission maintains three (3) special funds designed to assist in our small but passionate live racing program in the state. These funds are currently holding just enough for the racing commission to allocate to our site operators to run live races financially attractive enough to keep both horses, and horsemen, coming back every year. At this time, any reduction in tax funds will put us in a position where we would need to cancel live racing as soon as 2026.

Looking elsewhere for funding would only lead back to a need to expand gaming in the state. The racing commission is proud of how it has been able to maintain live racing without needing to expand on gambling in North Dakota or relying upon its own race wagering.

The North Dakota Racing Commission and the horsemen & women in the state it represents is at a serious crossroads. This crossroad was not built by us, yet we are left to navigate through it. This sudden existential issue caused by SB2384 is the result of an attempt by a well-funded, east coast, animal rights group imposing its politically correct, and did I say, well-funded, will on a small state, and an even smaller state agency.

We urge the Nd. House of Representatives to stop this bill now. It barely slipped by the Senate with overwhelming opposition. Let's not make the same mistake here.

Sincerely,

Bruce A. Johnson

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Executive Director

North Dakota Racing Commission

Figures from calendar year 2024

ONLY ND Simulcast Facilities				
2024	Total Wager	Greyhound Race	Horse Race	% of Greyhound Race
Skydancer	91,509.00	11,779.00	79,730.00	12.87%
Williston OTB	3,259.00	0.00	3,259.00	0.00%
Rumors	210,046.00	7,092.00	202,954.00	3.38%
Sidestreet	218,009.00	4,306.35	213,702.65	1.98%
	522,823.00	23,177.35	499,645.65	4.43%

Of the overall wagering handle processed thru our four Nd. "Simulcast" facilities, 4.43% was on Greyhound Racing.

23,177.35 of 522,823.00 was wagered on Greyhound Racing in 2024.

ADW + Simulcast					
ADW Companies (Licensed Service Providers)	Total Wagers	Greyhound Race	Horse Race	% of Greyhound Race To Each Provider	% of Greyhound Race To Total Wager Handle
CW's Tech	704.00	40.00	664.00	5.68%	0.0000%
Elite Turf Club	19,325,081.00		19,325,081.00	0.00%	0.0000%
Global	175,383,045.00	2,891,243.00	172,491,802.00	1.65%	0.7220%
HOJO OTB	116,585.20	1,834.00	114,751.20	1.57%	0.0005%
HRND	307,474.70		307,474.70	0.00%	0.0000%
Lien Games	24,409,454.00	6,021,772.00	18,387,682.00	24.67%	1.5037%
Hartlane	16,176,213.00		16,176,213.00	0.00%	0.0000%
Paribet	143,874,998.00	15,189,700.00	128,685,298.00	10.56%	3.7930%
Play-Up	2,073,350.00	26,793.00	2,046,557.00	1.29%	0.0067%
Rumors	210,046.00	7,092.00	202,954.00	3.38%	0.0018%
US Offtrack	3,969,691.00	2,978,068.00	991,623.00	75.02%	0.7436%
Watch & Wager	14,098,162.00	7,126,559.00	6,971,603.00	50.55%	1.7796%
Xpressbet			0.00		
ND Simulcast Outlets	522,823.00	23,177.35	499,645.65	4.43%	0.0058%
Skydancer	91,509.00	11,779.00	79,730.00		
Williston	3,259.00	0.00	3,259.00		
Rumors	210,046.00	7,092.00	202,954.00		
Sidestreet	218,009.00	4,306.35	213,702.65		
All Service Providers	400,467,626.90	34,266,278.35	366,201,348.55	8.56%	
	381,735,350.00	38,732,276.90		9.97%	

Of the overall wagering handle processed thru all 16 of our Nd. licensed "ADW" facilities, (which includes our 4 simulcast outlets), 0.0058% was on Greyhound Racing. INSIDE NORTH DAKOTA

Just 23,177.35 of 400,467,626.90 was wagered on Greyhound Racing. INSIDE NORTH DAKOTA

Of all our taxable wager dollars processed in 2024 thru our licensed ADW operators, 8.56% was on Greyhound Racing.

Of a Total, 400,467,626.90 wagered Thru ADW & Simulcast on Racing in 2024, 34,266,278.35 was wagered on Greyhound Racing.

361,735,350.00 of 400,467,626.90 would be approximately how much taxable revenue we would stand to lose when our highest performing ADW companies head for other states which do offer Greyhound Race.

38,732,276.90 in taxable revenue would be a 95% Decrease in tax dollars.

North Dakota Racing Commission
General Fund Payments into General Fund

General Fund	2023-2025 Biennium	2021-2023 Biennium	2019-2021 Biennium	2017-2019 Biennium	2015-2017 Biennium	2013-2015 Biennium	Total	Comments
Original Appropriation	\$475,006.00	\$407,894.00	\$399,072.00	\$379,621.00	\$387,821.00	\$389,244.00	\$2,438,658.00	Through February 28, 2025 for the current biennium
Taxes from ADW's to General Fund	\$498,946.66	\$583,591.72	\$518,301.71	\$429,266.69	\$615,433.34	\$457,561.03	\$3,103,101.15	
	\$23,940.66	\$175,697.72	\$119,229.71	\$49,645.69	\$227,612.34	\$68,317.03	\$664,443.15	
								Current
Breeders Fund	2023-2025 Biennium	2021-2023 Biennium	2019-2021 Biennium	2017-2019 Biennium	2015-2017 Biennium	2013-2015 Biennium	Total	Through February 28, 2025 Acct. Balance = \$ 806,063.56
Taxes from ADW's to Breeders Fund	\$499,428.00	\$584,358.36	\$518,839.95	\$430,085.02	\$616,659.19	\$479,646.40	\$3,129,016.92	
Promotion Fund	2023-2025 Biennium	2021-2023 Biennium	2019-2021 Biennium	2017-2019 Biennium	2015-2017 Biennium	2013-2015 Biennium	Total	Through February 28, 2025 Acct. Balance = \$ 693,503.40
Taxes & Breakage from ADW's to Promotion Fund	\$1,126,392.39	\$1,137,279.22	\$1,184,469.91	\$1,272,881.72	\$1,267,896.28	\$1,066,404.16	\$7,055,323.68	
Purse Fund	2023-2025 Biennium	2021-2023 Biennium	2019-2021 Biennium	2017-2019 Biennium	2015-2017 Biennium	2013-2015 Biennium	Total	Through February 28, 2025 Acct. Balance = \$ 310,313.89
Taxes from ADW's to Purse Fund	\$499,428.40	\$584,358.80	\$518,840.76	\$430,086.04	\$616,659.95	\$479,646.40	\$3,129,020.35	
		Taxes (& breakage) from ADWS to Funds	Breeders Fund		\$3,129,016.92			Through 2/28/25
			Purse Fund		\$3,129,020.35			Through 2/28/25
			Promotion Fund		\$7,055,323.68			Through 2/28/25
			General Fund		\$3,103,101.15			Through 2/28/25
			TOTAL		\$16,416,462.10			