

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/07/2019**

Revised  
 Bill/Resolution No.: HB 1295

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0		\$0
<b>Expenditures</b>	\$0	\$0	\$1,176,660		\$552,684	
<b>Appropriations</b>	\$0	\$0	\$1,176,660		\$552,684	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for sports betting on professional sports and certain athletic events.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1 and 2 of the bill will have fiscal impacts. Although allowing sports betting on professional sports and certain athletic events will have a significant impact on revenues it's unclear at this time what the impact will be to the general fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Although allowing sports betting on professional sports and certain athletic events will have a significant impact on revenues it's unclear at this time what the impact will be to the general fund.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

This bill will generate a significant workload. In order to regulate sports betting the Office of Attorney General will need a minimum of 2 auditors (\$381,520), operating (\$70,140), and a new gaming system (\$725,000), a total of \$1,176,660 for the 2019-21 biennium. For the 2021-23 biennium the respective costs are salaries & wages (\$408,962) and operating (\$143,722) which includes a 10% system maintenance cost.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

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**Name:** Kathy Roll

**Agency:** Office of Attorney General

**Telephone:** 701-328-3622

**Date Prepared:** 01/23/2019

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**Agency:** Office of Attorney General

**Telephone:** 701-328-3622

**Date Prepared:** 01/23/2019

**2019 HOUSE JUDICIARY**

**HB 1295**

# 2019 HOUSE STANDING COMMITTEE MINUTES

**Judiciary Committee**  
Prairie Room, State Capitol

HB 1295  
1/28/2019  
31618

- Subcommittee  
 Conference Committee

Committee Clerk: DeLores D. Shimek by Caitlin Fleck

## Explanation or reason for introduction of bill/resolution:

Relating to authorization of sports betting as a game of chance.

## Minutes:

1,2,3,4

**Chairman Koppelman:** Opened the hearing on HB 1295.

Supportive Testimony:

**Rep. Beadle:** Introduced the bill. Simple bill which authorizes sports betting in ND. This bill makes sports betting under charitable gaming. There is a sports poll that exists now. Sports betting is what you do like in Las Vegas. This just authorizes it for professional sports. Large fiscal note: I will leave that up to them.

**Vice Chairman Karls:** On line 24, page 4 you reference professional sports, or athletic events, did you mean to say or professional athletic events?

**Rep. Beadle:** In subsection 2 that phrase means an event where athletes participate and receive compensation. With those terms being in there, the high school or collegiate athletes do not get paid so they would be excluded from this.

**Rep. Vetter:** So you bet on particular games or what?

**Rep. Beadle:** We left this language vague because we knew the charities would offer certain games or not. We try not to be that perspective. I didn't want to get into all the different forms of bets that could be based.

**Chairman K. Koppelman:** Professional is what?

**Rep. Beadle:** I envision the national football league (NFL) and high level sports. The way it is written now would all apply, originally that was not my intention, but I am fine with it being in there.

**Rep. Satrom:** Do you have any data on how addictive this type of gambling may be and what the ramifications may be there?

**Rep. Beadle:** I don't have any data. I understand gambling is addictive, and all we ask is that any individual that wishes to partake does so responsibly.

**Rep. McWilliams:** Do you have any information on the type of people that are participating in this? I mean are they the same people who are doing pool tabs and the ones that are betting on these games?

**Rep. Beadle:** I think it would open it up for some additional people. The pie for charitable gaming will only be so large in ND, this may take away from some different forms of gambling. Some people will offer sports betting.

**Chairman K. Koppelman:** Do you know how many states have legalized this sports betting?

**Rep. Beadle:** I know at least 15 states have it under designation right now. There is currently more than half a dozen that authorized it, but I can provide the committee on the updating information.

**Lisa Vig, Director of the Gamblers Choice and Free Through Recovery Program for Lutheran Social Services of ND: (Attachment #1)**

**Rep. Roers Jones:** Aside from the gamblers choice program how many other groups benefit from the money that is set aside in the compulsive gamblers treatment fund?

**Ms. Vig:** Those dollars that come through the state are distributed in a contract through the department of human services behavioral services division. There is currently only one contract.

**Chairman K. Koppelman:** I am surprised at your support for the bill. Why would you favor more types of gambling?

**Ms. Vig:** My in favor stance of this bill is with the set aside for the prevention and treatment. I think that people should have the choice to participate in whatever type of gambling they so choose to, but in doing so they should do it cautiously and responsibly. There needs to be help available if someone needs it. I have been doing counseling and treatment for nearly 29 years and have seen a lot of devastation because of gambling addictions.

**Chairman K. Koppelman:** You mentioned Free Through Recovery (FTR) as part of your presentation here. How effective is the treatment for addiction to gambling?

**Ms. Vig:** There is a testimony that was emailed to you from one of our individuals who went through treatment. I would encourage you to look through that. The success rate is much like that of rates for alcoholism or drug use. There is a lot of recidivism. It is a lifelong disease. It is chronic. It requires management, and people need to learn how to manage their illness or addiction.

**Vice Chairman Karls:** On page 3 you made a statement, and from what I understand they pay quite a bit in taxes and part of those tax dollars is dedicated to fighting gambling addiction.

**Ms. Vig:** The charitable gambling funds have not been yet funneled or designated to treatment or prevention. They go to the general fund, but don't help off-set addiction issues.

**Vice Chairman Karls:** But in your testimony you stated that the money from this fund goes to the attorney general's office, then to the department of human services and then to your group.

**Ms. Vig:** That is funding from the lottery that is funneled through the attorney general's office and the human services department. Nothing from charitable funding goes into the general fund.

**Chairman K. Koppelman:** We will have our intern dig in to that a little bit. Currently there is no set aside of dollars for this purpose. I am also wondering, if the lottery is the least addictive form of gambling, but that this will be highly addictive. Maybe this is something that we should propose as something that should be carefully considered.

**Ms. Vig:** Most individuals who come to us for treatment will have a large history of experimentation and participation of all forms of gambling, much like with drug addiction. The lottery is probably the most exciting thing for a problem gambler to be participating in. Forms of gambling that tend to be more concerning would be ones where you know immediately whether you have won or lost. Those can be broken down into many different areas that could be wagered on.

**Rep. Satrom:** How many new gambling addicts will this create? How addictive is this? How much is it going to cost to treat it?

**Ms. Vig:** The first question I don't know. But one of the things we do know is that when we make responsible messaging available and provide awareness for people, those people that are struggling with gambling addictions will be more apt to see it in themselves and more willing to seek help. They will be more willing to acknowledge that they are not doing this appropriately and need help. We do think it is a life time issue. Once your addicted you work on maintaining a recovery for the rest of your life. Currently the program costs \$3,800 to complete the treatment program. It would cost about \$9,000 for an out of state treatment center that is inpatient.

**Todd Kranda, Attorney with Kelsch Ruff Kranda Nagel & Ludwig Law Firm: (Attachment #2)** There are a lot of taxes that go into the general funds and you decide where they go so there are services you provide for addiction. We support the effort. We think that doing something like this that can capture these things that are already happening, would be beneficial.

Opposed Testimony:

**Mark Jorritsma, Executive Director, Family Policy Alliance of ND: (Attachment #3)**



**Chairman K. Koppelman:** Explain the negative impacts on your charts?

**Mr. Jorritsma:** The nomenclature on there is less than 1%. Another thing to note, Rhode Island would have the highest taxation rate.

**Rep. Satrom:** How much is the treatment cost for someone that has a gambling addiction?

**Mr. Jorritsma:** The out of pocket cost is around \$900, but the total cost can be over thousands.

**Vice Chairman Karls:** A 6-10-month program costs about \$3800. And that is not covered by insurance.

**Christopher Dobson, Director of the ND Catholic Conference:** Games of chance in and of themselves, are not moral or immoral. However, expansion gambling raises questions of what is right and what is right for the common good. We have this opposed because it is an additional cost for treatment that will need to be funded as well. By expanding the gambling areas talked about in this bill, we are taking away the human aspect of sport. This bill would allow for betting on a person to take place. That in turn would dehumanize the world of sport. This is not a game of chance; it would be betting on the abilities of a human without their consent. That would have a shift in our culture, and sanction with law.

Neutral Testimony:

**Deb McDaniel, Director of Charitable Gaming Division for Attorney General's Office:** There are no funds that go from charitable gaming to any type of gambling prevention. Local law enforcement gets part of the gaming tax, but there is nothing for prevention.

**Chairman K. Koppelman:** Do you know if as indicated if the legislature has appropriated additional funds from the general funds, or is it only those from the lottery?

**Ms. McDaniel:** It would probably only be those funds from the lottery, but I don't know if there are any additional funds.

**Chairman K. Koppelman:** Can you check that out for us to see if there are any additional funds for the gambling prevention and treatment, and if it comes solely from the lottery?

**Ms. McDaniel:** Ok.

No further testimony. Hearing closed.

**Attachment #4** was later emailed by Representative Beadle.

# 2019 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee  
Prairie Room, State Capitol

HB 1295  
~~25~~3/2019  
32234

- Subcommittee  
 Conference Committee

Committee Clerk: DeLores D. Shimek by Caitlin Fleck

## Explanation or reason for introduction of bill/resolution:

Relating to authorization of sports betting as a game of chance.

## Minutes:

**Chairman Koppelman:** Opened the hearing on HB 1295. There is a do not pass motion made by Representative Becker, and seconded by Representative Jones.

**Representative Vetter:** I am going to support this bill because there are no dumb amendments made on it.

**Chairman Koppelman:** We can have fun, but we don't need to be discouraging other people's work. We also don't have to be saying our intentions for the vote, we will soon see them enough.

**Representative Satrom:** This particular one does not include the college betting? This is just professional? Ok.

**Roll Call Vote: 11 Yes, 3 No, 0 Absent.**

Motion carries.

Floor assignment: **Representative Magrum**

**Representative Becker:** Is it likely that the second one is going to come up first in appropriations?

**Chairman Koppelman:** It depends when appropriations takes them up. I think it will be Thursday, so it will take them a while to get it rerefered, but I don't think the do not pass will be on the top.

Meeting closed.

2019 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 HB 1295

House Judiciary Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

- Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Rep. Becker Seconded By Rep. Jones

Representatives	Yes	No	Representatives	Yes	No
Chairman Koppelman	X		Rep. Buffalo	X	
Vice Chairman Karls		X	Rep. Karla Rose Hanson	X	
Rep. Becker	X				
Rep. Terry Jones	X				
Rep. Magrum	X				
Rep. McWilliams	X				
Rep. B. Paulson	X				
Rep. Paur	X				
Rep. Roers Jones		X			
Rep. Satrom	X				
Rep. Simons	X				
Rep. Vetter		X			

Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Magrum

If the vote is on an amendment, briefly indicate intent:

Motion Carries.

**REPORT OF STANDING COMMITTEE**

**HB 1295: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1295 was placed on the Eleventh order on the calendar.

**2019 TESTIMONY**

**HB 1295**

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P 1

HOUSE JUDICIARY COMMITTEE

TESTIMONY FOR HB 1295  
Sports Betting with set aside funding for  
Gambling Addiction Prevention and Treatment

**Chairman Koppelman and Committee Members.** My name is Lisa Vig, and I am the Director of the Gamblers Choice and Free Through Recovery programs for Lutheran Social Services of North Dakota. I am here to support HB1295 with the addition of set aside funding for the **Compulsive Gambling Treatment and Prevention Fund.**

Legal gambling options continue to increase in North Dakota. This recreational activity can be safely enjoyed by most people who participate, particularly if effective public messaging about responsible gambling is widely available, and if treatment is available to those who develop compulsive gambling behaviors (ranging from problem gambling to gambling addiction).

When the Lottery was established in 2002, the Attorney General recommended, and the State Legislature agreed that, to counter-balance the concern that people would be harmed by the expansion of legalized gambling, it was important for North Dakota to adopt a “responsible gambling” approach. This approach is rooted in the knowledge that legalized gambling is entertainment for the vast majority of people but turns into a life-altering addiction for some (approximately 2-3% of people struggle with problem gambling, according to prevalence data in DSM-V).

A “Responsible Gambling” philosophy is about two things: **addiction prevention** and **addiction treatment.**

Addiction prevention requires a consistent, thoughtful, evidence-informed approach to how we talk to people about responsible recreational gambling behaviors. This type of messaging requires consistency if it is going to be effective. Consistency requires funding. With today's funding levels, the size and scope of the public awareness campaign in North Dakota is extremely limited. However, the messaging that has been developed is solid; it's the distribution and reach of that messaging that could increase with additional resources, including greater outreach to youth across the state as this is an area of growing risk and concern.

Without investment in sound public health-oriented messaging around problem gambling, people who engage in gambling of one type or another may be less likely to recognize signs of distress in their own behavior, or in the behavior of others they know. And process addiction is a behavioral addiction. It is when an otherwise harmless activity (ex. shopping, gaming, gambling, internet use) becomes harmful because the "rewards" from the behavior have activated a mal-adjusted brain chemistry that mutates the "normal" sense of pleasure one receives from an activity to something that triggers addictive physical responses.

**Recognizing signs of trouble is essential to a person being able to maintain a healthy relationship with gambling as an activity.**

As a state, we also want to ensure that addiction treatment is available for those who need it. Given the fact that gambling addiction is an equal opportunity disease (i.e., there is no particular type of gambling that is more likely than another to result in addiction), it makes sense that all forms of legal gambling should share in the responsibility to ensure that recovery is possible for problem and compulsive gamblers.

To offset the risk gambling poses to individuals and families, a portion of the net proceeds of state Lottery revenues have always been set aside to support public awareness campaigns around problem gambling, and treatment options for people whose lives are negatively affected by gambling addiction. The lottery currently allocates \$100,000 per quarter to this fund for treatment and awareness; this represents approximately the first 1.2-1.5% of annual net proceeds from the ND Lottery.

These funds are collected by the Attorney General's office, directed to the Department of Human Services Behavioral Health Division for oversight, and put to work across the state by a private entity with expertise in treating the process addiction of problem gambling. The program I oversee at Lutheran Social Services has been providing this service across the state since 1997.

As of 2018, it is only the Lottery that has a statutory set-aside for addiction treatment and public awareness. Both casinos and the Racing Commission voluntarily contribute some funds to support public awareness and treatment. To date, charitable gambling has not contributed to the effort to mitigate the negative impact that gambling can have on individuals and families.

The requirement for set-aside funds to support treatment and public awareness could be implemented across all forms of legalized gambling and channeled through the existing state mechanism for ensuring access to this specialized form of addiction treatment.

**A consistently applied Responsible Gambling philosophy would suggest that, whenever the legislature considers new forms of legalized gambling in North Dakota, the authorizing legislation should include a provision for prevention and treatment set-aside funds.**



We recommend that the language utilized in SB2221, the historic horse racing bill from the 2017 legislative session, be recognized in HB1443. The ND Century Code (NDCC 53-06.1-12) would be amended to establish an ongoing set-aside of funds to support treatment and prevention.

*“Of the amount wagered, One-fourth of one percent to be deposited in the compulsive gambling prevention and treatment fund under 50-06-22.”*

Research indicates that problem gambling behaviors do not discriminate between types of gambling. Gambling is gambling is gambling. A person is as likely to develop a gambling addiction from casino-based gambling as they are from online sports betting as they are from electronic pull tabs in their local bar and grill.

**The method of gambling is not the determinant of the addiction. It is the act of gambling itself that is the cause of the addiction.**

We know that the number of people who will find themselves on the compulsive gambling continuum (from early-stage problem gambling to late-stage addiction), will increase as the availability of gambling options increase. (see attached graphical representation of gambling progression)

**It follows that, as we increase gambling options in North Dakota, we must at the same time increase the availability of prevention and treatment services.**

The good news is that we know treatment works.

Mike is a 58-year old single man who has worked at his current job in Fargo for 30 years. Mike was defaulting on bank loans and had recently obtained a high interest (24%) rate loan to try and make ends meet. Mike went to the casino every time he got a promotional coupon in the

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mail, spending all of his available money. He had been overdrawn in his checking account and late on nearly all of his monthly expenses for over a year when he started attending group. Mike has not gambled since April 1, 2018. He completed outpatient programming and attends GA every Saturday morning. Because of his demonstrated financial stability, he was able to move the high interest loan back to his regular bank. He is current on all monthly expenses and should have his gambling debt completely paid off in two years.

Brandon is a 38-year old man from Grand Forks. His wife is active duty in the Air Force. During her most recent deployment, Brandon's online sports betting became out of control. He was suicidal, unable to function at work and with parenting responsibilities at home. His employer allowed a leave of absence so that he could begin treatment. He's been gamble free since October, is gainfully employed and pursuing a Master's degree. Brandon is expected to graduate from the treatment program in February.

Richard came to Gamblers Choice in January 2017 after having been convicted of embezzlement from his place of employment. He worked in downtown Fargo in the hospitality industry and spent considerable time playing blackjack at the local bars with friends and co-workers. He is making restitution on the money stolen, has been gamble free since December 2017, and recently completed the Peer Specialist Training Program offered by the Free Through Recovery Program. Richard is anxious to mentor and inspire others to seek recovery.

Kevin is currently serving a sentence in prison for embezzlement. Kevin played pull tabs daily at several bars in the Bismarck/Mandan area completely unbeknownst to his friends or family. He successfully completed treatment but will need to serve the remainder of his prison term. He is currently writing a book and wants to share his experiences; addiction and recovery, in the hopes that others will seek help.

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Gambling is a popular recreational activity in North Dakota. It can be enjoyed responsibly, especially if well-designed public messaging on responsible gambling behaviors is part of our culture.

We also know that while it will not turn into an addiction for most people, gambling addiction is devastating for the individuals and families who are affected by this disease. But recovery is possible with appropriate treatment.

As legalized gambling options continue to increase in our state, it is more important than ever to ensure that we have a consistent and serious commitment to mitigating the potentially negative impacts of this particular form of recreation.

Creating designated set-asides for problem gambling prevention and gambling addiction treatment will help ensure that the positives generated by the expansion of this activity will not be outweighed by the negative impact on the people who are responsible for generating the revenue – those who gamble.

Thank you for the opportunity to speak to you today, and for considering ways to enhance the State's commitment to a Responsible Gambling philosophy. I would be happy to answer any questions you have for me.

*Lisa Vig, Director, Gambler's Choice  
Lutheran Social Services of North Dakota  
ND Lobbyist #233  
Email: lisav@lssnd.org  
Phone: 701-271-3279*

Testimony in Support of  
HOUSE BILL NO. 1295  
House Judiciary Committee  
January 28, 2019

A2  
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1-28-19  
pg 1

Chairman Koppelman, House Judiciary Committee members, for the record my name is Todd D. Kranda. I am an attorney with the Kelsch Ruff Kranda Nagle & Ludwig Law Firm in Mandan. I appear before you today as a lobbyist on behalf of the Northern Prairie Performing Arts (NPPA) also known as Fargo Moorhead Community Theatre to support HB 1295.

NPPA is a North Dakota non profit entity that has a stated mission to provide live theatrical and education opportunities which enrich and engage the greater community. Programs supported by NPPA include theatre performances and children's instruction courses in live theatre, main stage productions, children's productions, senior adult theatre and workshops.

NPPA is in support of HB 1295 which modifies Section 53-06.1-03 NDCC and adds a new Section 53-06.1-10.3 NDCC regarding the types of games allowed by licensed charitable gaming organizations to include sports betting for professional sports and athletic events. Recently, the US Supreme Court issued a decision that overturned a 1992 federal law (Professional and Amateur Sports Protection Act) that did not ban sports betting but indicated states that did not already offer it were not allowed to permit it. Four states (Deleware. Nevada, Montana and Oregon) were exempt. Now, several states across the country have since implemented laws or are in the process of doing so to permit sports betting. HB 1295 would allow the ND licensed charitable gaming organizations to offer and participate in sports betting for professional sports and athletic events.

In conclusion, NPPA urges your support for **HB 1295** and respectfully requests a **Do Pass** recommendation. Thank you and I would be happy to try to answer any questions.

## Testimony Opposing House Bill 1295

Mark Jorritsma, Executive Director  
Family Policy Alliance of North Dakota  
January 28, 2019

Good morning Chairman Koppelman and honorable members of the House Judiciary Committee. My name is Mark Jorritsma and I am the Executive Director of Family Policy Alliance of North Dakota. I am testifying in opposition to House Bill 1295 and respectfully request that you render a “DO NOT PASS” on this bill.

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, are looking at potentially legalizing sports betting. But at what cost?

### ROOT FOR THE HOME TEAM

The first issue we have with legalized sports betting is devaluation of sports for its own sake. In other words, fundamentally changing the meaning of American sports. As write David Blankenhorn eloquently summarizes, “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 puts it this way. “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 bill is associated with compulsive gambling and gambling addiction. There are an estimated 10 million individuals in our country with some form of gambling addiction or compulsion to gamble which harms them or their family. That represents 2.6 percent of the United States population, and many sources place the incidence significantly higher.

I am not going to go into detail about the harms gambling addition – we’ve all heard them many times – but I ask you to please take this into serious account when considering this bill. If sports gambling becomes both legal and encouraged, more people are likely to gamble. It’s a fact.

1515 Burnt Boat Drive, Suite C148  
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#3  
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And as more people gamble, more are likely to hurt themselves, their families and their communities through excessive gambling. Any law 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 legalize sports betting have seen very small percentage increases in their state budgets as a result of legalized sports betting, 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%

Sports betting is not some sort of financial panacea. Yes, the state of North Dakota will gain more revenue, but remember that with last May’s ruling, we are not the only ones 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. It is correctly noted that, “Studies show that the less money you have, the more tempting it is to try to win some by gambling. You’re already down, so what’s the big risk if you tap out? A bet is cheap but also fake ‘hope.’”

Source: Sports betting not a financial home run for states. The State Journal-Register. Jan 2, 2019.

### THE BIG TRADEOFF

Let me leave you with this. With roughly 755,000 residents in our state and using the previously noted average statistic of 2.6 percent of people with gambling addiction, that means 19,630 North Dakotans already have problems with gambling, which are only going to be made worse if this bill passes. This estimate does not even include those who don’t have problems now but would be added to this number from sports betting.

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On the flip side, let's assume that sports betting will bring in a very optimistic 0.5% additional revenues to the state budget, or approximately \$67.5 million. That equates to approximately \$3,440 for each of those North Dakotans with a gambling problem.

So, there is the tradeoff. It is morally justifiable to earn \$3,440 off of someone with a gambling problem for the sake of state coffers? We at Family Policy Alliance of North Dakota certainly don't think so.

### CONCLUSION

Sports betting is bad social policy, it is bad economic policy, and it is bad governmental policy. For these reasons, I respectfully ask that you please vote House Bill 1295 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.

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**NDLA, Intern 10 - Cumminas, Beau**

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HB 1295

**From:** NDLA, H JUD - Shimek, Delores  
**Sent:** Monday, January 28, 2019 2:44 PM  
**To:** NDLA, Intern 10 - Cummings, Beau  
**Subject:** FW: Sports Betting

1/28/2019  
#4

**From:** Beadle, Thomas R.  
**Sent:** Monday, January 28, 2019 11:47 AM  
**To:** -Grp-NDLA House Judiciary <ndlahjud@nd.gov>  
**Cc:** NDLA, H JUD - Shimek, Delores <hjud@nd.gov>  
**Subject:** Sports Betting

Chairman Koppelman and members of the committee,

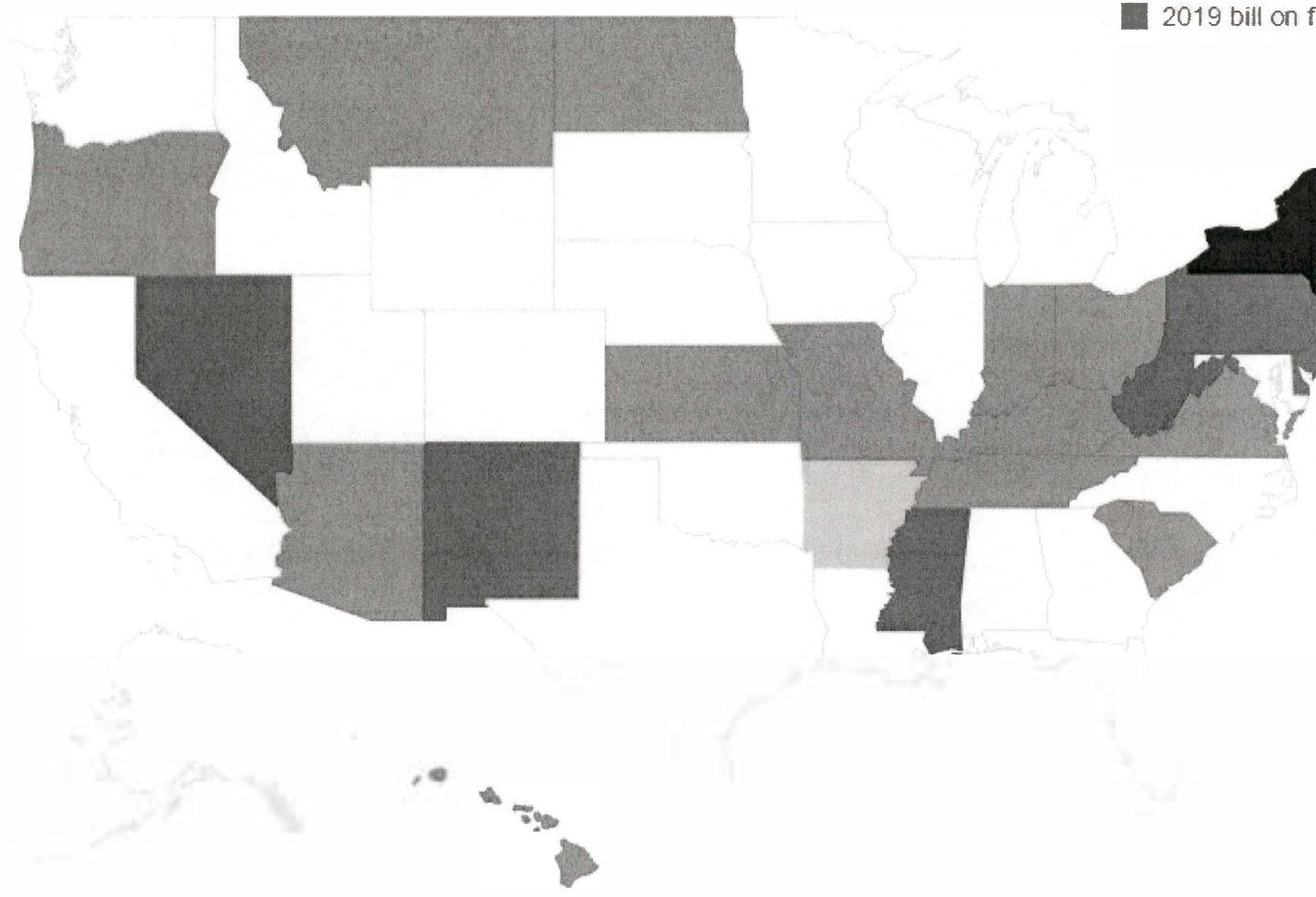
Below is a link and a screen grab of a map showing states that have, or are currently discussing sports betting legislation. The link to the source is below.

<https://www.legalsportsreport.com/sportsbetting-bill-tracker/>



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- Legalized pe
- Partial law / e
- 2019 bill on f



I know a number of other states are working on it and the map may be a little behind. Minnesota is also looking at the issue despite not being on the above tracker map. Tribes are opposing it there, however.

<http://www.startribune.com/some-lawmakers-want-legal-sports-betting-in-minnesota-but-opposition-will-be-fierce/504771992/>

This article does a good job summarizing the action that had been taking place prior to the start of 2019 for your information.

<https://www.reuters.com/article/us-usa-betting-sports/more-u-s-states-could-swarm-into-legal-sports-betting-next-year-idUSKCN1NK33B>

Have a great day!

Thomas R. Beadle  
ND House of Representatives

District 27 - Fargo

Committees: Appropriations | Government Operations Division

Phone: 701.235.2348

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*1/28/2017*

*#4*