

HOUSE AGRICULTURE COMMITTEE
HOUSE BILL 1444
Testimony Submitted By the Charitable Gaming Association of ND
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JANUARY 28th, 2021

The Charitable Gaming Association of North Dakota urges a Do Not Pass recommendation on HB 1444.

- House Bill 1444 allows historic horse racing slot machines. This is a casino expansion bill – it will create an unlimited amount of stand-alone casinos that will be built anywhere in ND, including the middle of major cities.
- There is no limit on the number of machines that can be put in each location. HHR service providers have previously indicated a minimum of 35 slot machines must operate in a location to be financially feasible. More than 90% of the bar establishments could not offer 35 or more units.
- The maximum bet on each machine is **\$25** – a very large betting limit to be bet every few seconds. Currently the charitable electronic pull tab devices in North Dakota allow for a maximum **\$2** bet.
- If passed the Horse Racing Commission will be the regulator of these casinos, **NOT** the regulator of gaming in ND, which is the Gaming Division of the Attorney General.
- This will be a redistribution of the charitable gaming dollars to horse racing slot machines.
- Currently charities are required by state law to spend 40% of their Adjusted Gross Proceeds (wagers after prizes and taxes) for charitable purposes. The Adjusted Gross Proceeds from the historical horse racing machines will be going into private individuals and companies pockets instead of charitable purposes or the state. There is not a provision in this bill ensuring dollars will be going to charitable uses.
- The Office of Attorney General Gaming Division budget for this biennium \$3.4 Million to regulate the industry. This bill calls for \$625,000/biennium to regulate thousands of slot machines across the state by the ND Racing Commission.
- Gives horse-racing industry major financial and regulatory advantage over ND charities
 - Less-stringent regulations by the Racing Commission
 - Less-stringent reporting to the Racing Commission

- Less-stringent oversight by the Racing Commission
 - Less-stringent tax burden
- Age limit to use these slot machines – 18
- This bill raises money earmarked for ND horse racing industry, rather than an array of charitable causes across ND.
- North Dakota has a very rich history to be very proud of regarding the support for charities and the very important role they play in communities across this great state. For over 40 years charitable gaming has filled the void in communities, big and small, to meet their direct needs.
- This is a big move toward privatized gaming. The manufacturers and service providers control the product and pricing, locations, terms of contracts, and take their cut of the pie first. Charities receive the remaining portion of the pie, that is determined by the private entities.

The Charitable Gaming Association of North Dakota would appreciate consideration of a Do Not Pass recommendation on HB 1444.