

**Testimony in Opposition to
HOUSE BILL NO. 1444
House Agriculture Committee
January 28, 2021**

Chairman Johnson, House Agriculture 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 oppose HB 1444.

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, mainstage productions, children's productions, senior adult theatre and workshops. NPPA has been involved in charitable gaming activities since its inception. Also, NPPA relies heavily on charitable gaming as a funding source for the various services provided.

NPPA is opposed to HB 1444 and would like to provide the following comments on the specific provisions for consideration by the committee which would support a **Do Not Pass** recommendation:

1. Any charitable organization authorized as a Site Operator must conduct operations as a Simulcast Off-Track Betting location in order to be able to conduct historic horse racing.

2. Historic horse racing is conducted on races that have already happened and that were already wagered on when originally conducted. Also, wagers are allowed on races conducted within seconds of each other without waiting the traditional 15-30 minutes between such races with the live tracks. This activity is not under the oversight and umbrella of the Attorney General's Office, Gaming Division.

3. Maximum wager for historic horse racing is set at \$25 per play. By example and as a comparison, with e-tabs the limit is \$2 per play.

4. There is no limit to the number of historic horse racing machines that the Racing Commission may allow at any site. By example and as a comparison, with e-tabs the limit is a maximum of 10 machines per site.

5. The fiscal benefit to any charitable organization is not stated anywhere. A successful site will have to provide significant traffic and wagers to have any chance of being financially viable.

6. There is rent on machines, staff to pay, and questions about who pays for other expenses, such as the per machine fee to the Racing Commission for regulation and oversight. The Racing Commission will impose an undefined amount of per machine fees for operating costs to go to regulation and oversight which is another cost to a charitable operator.

7. HB 1444 may not have any restrictions on the number of sites eligible or organizations that may conduct, but the reality is that very few organizations will be able to function with any profitability for their charitable causes.

In summary, while HB 1444 may have excellent potential for horse racing in North Dakota, it provides very little opportunity for the charitable gaming industry and could be considered direct competition to currently operating charities to be able to provide for their charitable purposes existing throughout the state.

In conclusion, NPPA urges your opposition to **HB 1444** and respectfully requests a **Do Not Pass** recommendation.