

## **Testimony Opposing House Bill 1234**

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Good morning Madam Chair Bell and honorable members of the Senate Finance and Taxation 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 1234 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, have been looking at potentially legalizing sports betting ever since. But at what cost?

### **ROOT FOR THE HOME TEAM**

The first issue our organization has with legalized sports betting is devaluation of sports for its own sake. In other words, fundamentally changing the meaning of American sports. As writer 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 disorders. 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 of gambling addiction – 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.

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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 legalized sports betting and for which reliable information exists, have seen very small percentage increases in their state budgets from legalized sports betting tax revenues, 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 would gain more revenue, but remember that with the May 2018 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 PROBLEM

Let me leave you with this. With roughly 762,000 residents in our state and using the previously noted average statistic of 2.6 percent of people with gambling addiction, that means 19,812 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 because of sports betting. So this is the problem. Is it morally justifiable to earn a fraction of additional annual budget revenue off of those with gambling problems? 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. SB1234 has a lot of supposed contingencies: background checks, HCR 3032, approval by voters, and so on. However, the thing to recognize is that you – the body that represents all North Dakotans – are responsible for lighting or not lighting the fire of sports betting. It will either stop here, or begin here. It is your responsibility to make that important decision which will affect our state for generations to come.

For all the aforementioned reasons, Family Policy Alliance of North Dakota respectfully asks that you please vote House Bill 1234 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.