

Madam Chair and the members of the committee

My name is Collette Brown from Warwick, representing the Spirit Lake Tribe. My professional title in the gaming industry is, Gaming Commission Executive Director of the Gaming Regulations and Compliance Department, our casino is located seven miles south of Devils Lake.

Indian gaming is our Native American success story, where we have established our Gaming and Resort complex to provide gaming and recreation, restaurants, fine dining, fishing and hunting, lodging and an entertainment venue. In short, the Spirit Lake Tribe has established a full Resort experience. Our resort means jobs and opportunity, funding for essential tribal government services. The Spirit Lake Casino and Resort is value added to North Dakota, our Tribe, and the surrounding community, where we create jobs through our contracting, employment, and procurement of goods and services.

The Spirit Lake Tribe expressed serious concerns about the electronic pull tabs because the electronic pull tabs has a tendency to transform into slot machines. Right now, the etabs are far removed from actual pull tabs because there is no requirement to read the pull-tab, cash out prizes or actually play the game of pull-tabs. In reality, the etabs are played like slot machines, as convenience games are attractive and accessible to problem gamblers, and the machine manufacturers taking the lion's share of revenue. The large influx of etabs throughout North Dakota, reaching a billion dollars in gross gaming revenues, has undermined Indian gaming, reducing our revenues substantially and undercutting our ability to provide jobs and generate essential government revenues

The problem is that oversaturation of the gambling industry undermines your neighbors, our Indian nations and tribes. That means less education, less health care, loss of jobs, and less tourism throughout North Dakota. A careful study and a cautious approach must be applied to any further expansion of gambling in North Dakota.

Today I come to you with concerns on SB2071.

1. **Wagering on Any Events:** “a race, contest, game, or competition in which a wager can legally be made in the jurisdiction the wager is made.” First of all, the bill comes in the guise of racing and pari-mutuel bill but actually allows wagering on any type of “event,” rendering the reference to horseracing irrelevant.
2. Under this Bill, the Horseracing Commission becomes the Gambling Commission. And not just any Gambling Commission but an International Internet Gambling Commission. Is that the intent? “Adopt by rule model rules

and standards, such as the association of racing commissioners international's model rules and standards.”

3. The reference is not a limitation, but is simply illustrative—so the bill would allow for the adoption of any “model rules and standards”—and clearly authorizes a resort to international law, meaning foreign law, without further approval of the legislature. This proposal is objectionable as a delegation of unlimited legislative authority to a regulator and appears to violate constitutional due process because the unlimited power created thereby is void for vagueness.
4. By opening gambling up to any “event,” the bill strikes the limit to live horseracing and simulcast horse racing from other live venues. The term “event” allows wagering on any type of activity: horseracing, historical horseracing, dog-racing, NASCAR racing, high school **state tournaments**, college, or professional sports—baseball, football, soccer, pool, dog or cock fighting, the performance of the stock market, federal, state or local elections, along with any other “event”—like the Oscars, Grammys or Emmys.
5. The chances for corruption and mischief concerning these unregulated activities is clear and a potentially part-time Horseracing Commission Executive Director is ill-equipped to handle a new authorization of unlimited, universal, international gambling on virtual internet or wires.
6. Abandoning Horse-Tracks in Favor of Any “Arena.” Traditionally, horseracing is the gambling activity regulated by Horseracing Commissions. Congress just passed the Federal Horseracing Integrity and Safety Act to stop doping and abuse of live horses—the North Dakota Commission has more than enough to do regulating horses and horseraces without venturing outside the horse track to high school track and field, 4H rodeo, square dance pavilion, or Movie Theater.
7. The definition says “‘Arena’ means any indoor or outdoor venue where an event may be held....” There is simply no limit to betting and wagering without a reference to live horses and horse tracks.
8. Last session, the North Dakota Legislature voted down “historical horseracing machines” because they actually operated as slot machines with no need to conduct or pay any attention to a horserace. SB 2071 would empower the Executive Director of the Horseracing Commissions unlimited power to

establish rules for betting and wagering on undefined “events,” which might include randomly shuffled past events like “historical horse-racing.”

9. **National Conference of Legislators from Gaming States.** NCLGS has been considering topics on emerging forms of gaming, including “Sports Role’s in Sports Betting:” “State governments and industry focus on what the legalization, regulation and revenue generation of sports betting, to what extent should stakeholders who deliver content – such as the sports leagues, the television networks, and the athletes themselves – be considered?” Is it right for Horseracing to take over the whole universe of “event” wagering, which would include Sports Betting.
10. **Sports Betting Should Be Regulated As Sports Betting.** The gambling industry will bring forward sports betting issues and those questions should be dealt with as sports betting, not shoehorned into horseracing under a weak regulatory structure which in reality provides little or no standards for regulation.
11. As TMBCI has mentioned they are in the development of a bill to offer internet sports betting within the State, this will be the best way for ND to enter into internet sports betting, not with ambiguous language under the racing commissions’ authority.
12. SB 2071 would result in unlimited gambling on any event in any forum (arena) where human activity takes place. Such an unlimited, universal, perhaps international betting and wagering expansion would wipe out existing forms of gambling, including Indian gaming and etabs for charitable purposes.

Lastly, we cannot economically sustain anymore expansion of gaming that does not benefit the tribes. With that being said Spirit Lake Tribe and **Standing Rock Sioux Tribe** **are** in opposition of this bill.

Thank you for your time.