

FISCAL NOTE
SENATE BILL NO. 2384
LC# 25.1323.01000
02/03/2025
Revised - 02/03/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(284,500)	\$(264,000)	\$(284,500)	\$(264,000)
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - 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 measure would provide for the banning of pari-mutuel wagering on Greyhound, (Dog), races thru our licensed ADW providers as well as licensed OTB's throughout the state.

4 - Fiscal Impact Sections Detail

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.

The provision in this bill asking for the removal of Greyhound, (Dog), wagering would have an immediate affect on our licensed ADW and Simulcast facilities. Overall wagering on Greyhounds accounts for roughly 9.14% of our tax revenues collected from ADW and Simulcast races. Of our 16 currently licensed ADW providers, there are approximately five, (5), which would stand to be hardest hit. Greyhound to Overall, (Horse), race wagering can range for 1.5% up to 75%. ADW companies can, and do, hold licenses in other states. If this ban on Greyhound

waging is allowed, several of our taxable companies would be compelled to begin putting their Greyhound wager handle thru other states, possibly out of convenience, moving all pari-mutuel wagering handle out of North Dakota. Conversely, not allowing this ban to pass can have the effect of attracting other states/jurisdictions to seek a North Dakota license resulting in a possible increase to our current tax revenues several fold.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Each of the special funds the racing commission maintains to help fund a live horse race industry in North Dakota run annually very tight and require maximum revenue from pari-mutuel handle wagered through our ADW partners. Including our General Fund, which regularly returns more funds than appropriated, revenue to expenditures are nearly identical. The Greyhound wager handle, although only about 10% of the overall handle, must be considered vital to the other special funds which are continually appropriated. If there is not another source of revenue added, funds will begin to run out and a live race program in the state will die. Additionally, SB 2384 removes the requirement for stamps for e-tab games. The revenue impact for the AG's office will be a reduction in general fund revenue of \$224,500 and a reduction in fund 322 (AG operating fund) of \$24,000

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Current expenditures are at the minimum which is required to carry on a successful live racing season in the state. The racing commission is not in a position to cut funding to the racing program to accommodate the lost revenue a Greyhound race wagering ban would cause. This reality is exacerbated by the real possibility of currently licensed ADW providers taking their overall business elsewhere.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

Our General Fund annually returns more funds than appropriated. The loss of tax revenues expected from a loss of Greyhound race revenue would surely bring this more into line. The negative effect on our important ADW operations moving Greyhound, and possibly other horse race wagering handle, to other jurisdictions has the real chance of forcing our general fund into deficit. The other three special funds, Breeders Fund / Purse Fund / Racing Promotion Fund, are continuous appropriations but are currently maxed out. Current revenues meet expenditures nearly even if not a bit less in recent years. We simply run too tight to take even the smallest of hits.

Contact Information

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