

**SENATE JUDICIARY COMMITTEE**  
**SENATE BILL 2347**  
**Testimony Submitted by Bill Kalanek, CGAND**  
**February 5<sup>th</sup>, 2025**

The Charitable Gaming Association of North Dakota urges a Do Not Pass recommendation on SB 2347.

- Senate Bill 2347 allows historic horse racing slot machines, creating racinos across North Dakota. This is a casino bill, not a horse racing bill.
- There is no limit on the number of machines that can be put at each track or casino, unlike traditional charitable locations limited to 10 etab devices. This will essentially create large “racinos” disguised as horse racing operations. Historic horse racing machines are not designed for small locations, rather large-scale operations to drive very large multi-state progressive jackpot pools. This is a MAJOR expansion of gaming.
- There is no maximum bet limit on these slot machines. Currently the electronic pull tab devices allow for a maximum \$2 bet. This is a MAJOR expansion of gaming.
- 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. The racing commission is not equipped or empowered to regulate these large scale operations.
- 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 slot machines will be going into private individuals and international companies’ pockets instead of charitable purposes or the state. There is not a provision in this bill ensuring how many dollars will be going to actual charitable causes.
- Gives racino industry major financial and regulatory advantage over ND charities:
  - Less-stringent regulations by the Racing Commission
  - Less-stringent reporting & oversight of the Racing Commission
  - Less-stringent tax burden
- These machines may operate 24 hours/day, 7 days/week as there are no restrictions on historic horse racing operations.

The Charitable Gaming Association of North Dakota would appreciate consideration of a Do Not Pass recommendation on SB 2347.