



Testimony in **Opposition** to Senate Bill 2384

Submitted by US Off-Track, LLC

Members of the North Dakota Legislature, US Off-Track, LLC respectfully asks that you **Oppose** Senate Bill 2384 which eliminates the authorization of wagering on simulcast dog/greyhound racing under the certificate system.

US Off-Track, LLC is owned by three Florida greyhound track operators, St. Petersburg Kennel Club, Inc. d/b/a Derby Lane (opened in 1925), Jacksonville Racing (opened 1935), Palm Beach Kennel Club (opened 1932). It is managed by US Off-Track, Inc. (owned by St. Petersburg Kennel Club, Inc.). The tracks have been sending their racing broadcasts and wagering rights to North Dakota OTBs since the early 90's until December, 2020, as there was ban on live greyhound racing in Florida. It is still legal in Florida to wager on simulcast greyhounds at the tracks/OTBs and through the ADWs. US Off-Track is also licensed as an Account Deposit Wagering Service Provider ("ADW") in the State of North Dakota offering wagers on foreign and domestic horse and greyhound racing. Seven of the 16 North Dakota- licensed ADWs offer wagering on greyhounds to their account holders.

A little background:

In 1989, North Dakota passed legislation to allow racetracks and OTBs located within the State to wager on out-of-state horse and dog/greyhound racing. The North Dakota simulcast network opened in 1990 and was a huge success for the State, contributing new tax revenues, generating the funds to run the North Dakota Racing Commission, contributing to nonprofit organizations and building an award winning statewide industry. For over three decades, wagering on greyhounds and horses at OTB locations has continued in the State of North Dakota.

In December 1999, with the advent of legislation in the State of Oregon to permit multi-jurisdictional hubs, US Off-Track d/b/a Greyhound Channel applied for and was issued a license to conduct account wagering. In April, 2000, equipped with a state-of-the art AmTote International multi-community totalizator hub supported by a highly trained staff of wagering operators and customer service representatives commenced taking wagers on horse and dog racing. We also offer services to other ADWs licensed in other jurisdictions. In May 2023, US Off-Track applied for and was granted a Multi-Jurisdictional Service Provider and Account Deposit Wagering License from the North Dakota Racing Commission.

In 2007, the State passed legislation which allowed for licensing and regulation of Simulcast and Account Deposit Wagering Service Providers (ADWs). ND Admin Code Section 69.5-01-11-01 "Account Wagering" or "Account Deposit Wagering" ("ADW") means a form of pari-mutuel wagering in which an individual deposits money in an account and uses the account balance to pay for pari-mutuel wagers.

These ADW providers allow individuals (national and international) to establish an account for the purpose of placing pari-mutuel wagers telephonically or electronically on races conducted at domestic- and foreign-licensed horse and greyhound tracks. Prior to licensure, all ADWs are required to contract with a non-profit charity and negotiate a portion of all wagers to said charity. All contracts vary between ADW's and the charities. Taxes are .25% with a cap of \$420,000 annually per ADW. The .25% tax is broken down as follows: 1/16th to the General Fund, 1/16th to the Breeders' Fund, 1/16th to the Purse Fund and 1/16th to the the Promotional Fund. Also, 100% of all breakage (the portion of a pari-mutuel pool which is computed by the totalizator/certificate system rounding down to the nearest multiple of 10 cents and is not distributed to the contributors or withheld by the host track) goes to the Promotional Fund that caps at the first 20 million annually wagered per each ADW. There is also an initial license/application fee; background checks and annual license fee for the entities and individual staff members that is paid to the State/Racing Commission.

It is very important to understand that there is a vast difference between conducting a live greyhound race meet and wagering on greyhound racing. At this time, there are approximately 20 States that allow wagering on domestic and foreign greyhound racing. There are two live tracks in West Virginia and many international tracks.

In 2024, approximately 75% of our customer's wagers were placed on US and International greyhound racing. If Senate Bill 2384 is passed as written, US Off-Track will lose valuable content for it's simulcast operations and it's continued business viability in North Dakota will be threatened.

US Off-Track, LLC urges you to **Vote No** on Senate Bill 2384

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