

2025 SENATE JUDICIARY

SB 2347

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee

Peace Garden Room, State Capitol

SB 2347

2/5/2025

Relating to historic horse race wagering and pari-mutuel horse racing and to the authorization of historic horse race wagering and the elimination of simulcast dog racing under the certificate system.

11:14 a.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Industry decline
- Animal welfare
- Federal legislation
- Pre derby race
- Expansion of gambling
- Tax revenue
- Clarity on bill
- Animal Right Activists

11:14 a.m. Senator Myrdal, District 19, introduced the bill.

11:25 a.m. Carey Theil, Executive Director of Grey2K USA, testified in favor and submitted testimony #34501.

11:32 a.m. Emma King, Churchill Downs Inc., testified in favor.

11:37 a.m. Bruce Johnson, Executive Director of ND Racing Commission, testified in opposition.

11:47 a.m. Leigh Lockhouse, NDHP, testified in opposition.

11: 52 a.m. Representative Collette Brown, District 9, testified in opposition and submitted testimony #35419.

11:58 a.m. James Petty, State Stuart of ND Horse Racing, testified in opposition.

12:02 p.m. Bill Kalanek, Lobbyist of Charitable Gaming Assoc. of ND, testified in opposition and submitted testimony #35023.

12:04 p.m. James Gartland, Executive Director of National Greyhound Assn., testified in opposition and submitted testimony #34642.

12:06 p.m. Edward Comins, President, Watch and Wager, testified in opposition and submitted testimony #34771.

12:08 p.m. Leslie F. Csokasy, Director of National Greyhound Association, testified in opposition and submitted testimony #34253.

Additional written testimony:

Randall V. Querry, Director of Government Relations of A2LA, submitted testimony in favor #34551.

Lorilee Goodall, Business Development of US Off-Track, LLC, submitted testimony in opposition #34670.

Nelson Clemmens, Founder & CEO of AmWest Entertainment LLC, submitted testimony in opposition #34767.

Janelle Mitzel, Development Homes, Inc., submitted testimony in opposition #34778.

Sheri Grossman, CEO of Bismarck-Mandan Convention & Visitors Bureau, submitted testimony in opposition #34938.

Don Santer, CEO of NDAD, submitted testimony in opposition #35011.

Jason T. Campbell, Game Director of West Fargo Hockey Association, submitted testimony in opposition #35073.

Rick Stenseth, Gaming Manager of NPPA & Lobbyist Todd D. Kranda #58), submitted testimony in opposition #35183.

Michael A. Weiss, ADW of PariBet LLC, submitted testimony in opposition #34715.

Lonna Street, Tribal Chairwoman of Spirit Lake Tribe, submitted testimony in opposition #35161.

12:13 p.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk



February 1, 2025

Dear Members of the North Dakota Senate Judiciary Committee,

Thank you for the opportunity to present my testimony in opposition to **SB2347 and SB2384**. As a **board director of the National Greyhound Association (NGA)**, a **farm inspector**, and an **adoption advocate**, I have dedicated over **25 years** as a **certified trainer and canine behavior consultant**, working directly with more than **15,000 dogs**. My career has been devoted to ensuring the highest standards of canine welfare, and I urge you to vote **no** on these bills.

The Greyhound Industry's Commitment to Welfare

The **National Greyhound Association** has safeguarded the **registry and welfare** of U.S. racing greyhounds for over **119 years**. Greyhound racing operates under **strict state regulations**, ensuring the well-being of these dogs through rigorous oversight.

Injuries & Safety

Despite misconceptions, greyhound racing maintains an **exceptionally low injury rate**, with **99.5% of individual race starts occurring without incident**. When injuries do occur, they are typically **minor**, and dogs are carefully rehabilitated before returning to racing—only after **state-employed veterinarians clear them**. Greyhounds that sustain more serious injuries, or age out of racing, are placed in adoption programs. We have very few fatalities and those are directed by the veterinarian. In 2023, there were 10 fatalities in total. Moreover, **racing surfaces are regularly monitored and adjusted** to maximize safety, recognizing that, like all athletes, greyhounds are not immune to injuries.

Adoption & Life After Racing

Unlike dogs suffering from **abuse or neglect**, retired greyhounds **transition smoothly into pet homes**, thanks to their **extensive socialization and structured upbringing**. The U.S. greyhound racing industry has successfully adjusted breeding practices, ensuring that every dog—whether they choose not to race or sustain an injury—finds a **home through accredited adoption programs**. As a result, **retired greyhounds enjoy a 100% adoption rate**.

Strict Regulations Against Misconduct

The NGA maintains **zero tolerance** for neglect or abuse. Any individual failing to meet our strict standards is **permanently removed from the industry**. While bad actors exist in every field, we have become **highly effective at identifying and addressing them before they pose any risk to our dogs**. The racing industry also adheres to state/jurisdiction mandated conduct codes including urine testing to uncover any prohibitive substances.

Greyhound Racing & North Dakota's Economy

Greyhound wagering contributes significantly to **North Dakota's economy**. In the past two years, **ND Advanced Deposit Wagering (ADW) platforms** have processed approximately **\$60 million annually** in greyhound race wagers. In **fiscal year 2024 alone**, this figure grew to **\$67 million—an 11% increase**.

The **tax revenue generated from greyhound wagering** is distributed among four key funds:

- **Racing Commission**
- **Horse Breeders Fund**
- **Promotional Fund for race meets**
- **General Operating Fund**

While **greyhound wagering may not be the largest contributor**, every **dollar invested in racing creates a substantial economic impact**. A **2016 study by North Dakota State University** found that for every **\$1 generated by the racing industry**, **\$5.20 is reinvested back into the state's economy**.

The **North Dakota Racing Commission (NDRC)** receives **\$380,000 annually** from the general fund. Of this, the **\$87,000 tax revenue from greyhound wagering** directly supports race meets. This **\$87,000 investment generates over \$450,000 annually**, with **77% of purses remaining in North Dakota—an economic boost of approximately \$350,000 directly benefiting local racing communities**.

North Dakota's Passive Income Model & The Risks of Expansion

North Dakota maintains a **conservative stance on gambling**, allowing the state to benefit from **passive income derived through ADWs national and global reach**—without expanding access to gambling for residents. *Banning greyhound wagering **will not reduce gambling participation** but will remove a valued **source of revenue supporting local industries**.*

However, the introduction of **Historical Horse Racing (HHR) machines in local facilities** would actively expand gambling within communities—something SB2347 and SB2384 fail to acknowledge.

Conclusion: Vote NO on SB2347 & SB2384

Eliminating greyhound wagering would:

- ✗ **Harm North Dakota's racing industry**
- ✗ **Reduce economic benefits and tax revenue**
- ✗ **Punish an industry that upholds transparency, responsibility, and animal welfare**

I urge you to **vote NO on SB2347 and SB2384** to protect North Dakota's economy and its longstanding relationship with the greyhound racing industry.

Thank you for your time and consideration.

Sincerely,

Leslie F Csokasy

Leslie Csokasy, CDBC, CPDT-KA, FFCP

Board Director, National Greyhound Association

Certified Canine Behavior Consultant & Professional Dog Trainer, Fear Free Certified Professional

GREY2K USA WORLDWIDE



Directors

Christine A. Dorchak, Esq.
President

Eric Jackson, *Vice President*
Greyhound Companions of
New Mexico

Sherry Mangold, *Treasurer*
Animal Protection of New Mexico

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Charmaine Settle

Carey M. Theil
Executive Director

Directors Emeritus

Dr. Jill Hopfenbeck, DVM
Albano Martins, ANIMA
Michael Trombley, CPA

In Memoriam

Joyce Carta,
Greyhound Adoptions of Florida
Kevin Neuman, KCREGAP
Kathy Pelton

*Organization listing are for
identification purposes only*

February 5, 2025

Chair Diane Larson
Senate Judiciary Committee
North Dakota Legislative Council
State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505

RE: Testimony on Senate Bill 2347 and Senate Bill 2384

Dear Chair Larson,

On behalf of our more than 300,000 supporters, I would like to thank you for the opportunity to provide testimony on Senate Bills 2347 and 2384. I hope this information is helpful as you consider the merits of this legislation.

About GREY2K USA Worldwide

Formed in 2001, GREY2K USA Worldwide is the largest greyhound protection group in the world. As a nonprofit organization we work to pass stronger greyhound protection laws and end dog racing. We also promote the rescue and adoption of greyhounds. We have a very narrow mission related to the protection of greyhounds and have no position on horse racing, other animal activities, or other gambling issues.

Our bipartisan campaigns have earned the support of conservative luminaries including Lara Trump, Congressman Zach Nunn, Senator Rick Scott, Governor Mike Huckabee, and Attorney General nominee Pam Bondi. Republicans and Democrats have been able to join together on this issue because it is underpinned by mainstream values regarding how we should treat dogs.

Current status of greyhound racing in the U.S.

Greyhound races are currently held at two tracks in the United States: Wheeling Island and Tri-State Greyhound Track in West Virginia.ⁱ

Greyhound racing has declined dramatically over the past three decades. At its peak there were nearly 70 operational dog tracks in 19 states, and approximately \$3.5 billion wagered on greyhound races annually.ⁱⁱ Today, this number has been reduced to less than \$350 million nationwide, including \$60.7 million via the North Dakota Advance Deposit Wagering (ADW) hub system.ⁱⁱⁱ

Greyhound racing is currently illegal in 43 states, including North Dakota.^{iv} In 2018 Florida citizens voted to outlaw dog racing by a decisive vote of 69% to 31%.^v A decade earlier, Massachusetts voters abolished greyhound racing by a tally of 56% to 44%.^{vi} As a result of animal welfare concerns, state legislatures have recently outlawed greyhound racing in Connecticut (2024),^{vii} Oregon (2022),^{viii} Arizona (2016),^{ix} Colorado (2014),^x New Hampshire (2010),^{xi} and Rhode Island (2010).^{xii}

A federal bill to outlaw gambling on dog racing nationwide, the Greyhound Protection Act (H.R. 3894), earned 80 bipartisan co-sponsors in the 118th Congress.^{xiii} The measure has been endorsed by more than 250 local animal shelters, animal welfare groups, anti-gambling organizations, and international NGOs.^{xiv} The company that owns both West Virginia tracks, Delaware North, is neutral on H.R. 3894.^{xv}

North Dakota's role in propping up greyhound racing

Nearly half of dog race wagers are now made over the internet, via Advance Deposit Wagering (ADW) companies. North Dakota is one of only two states, with Oregon,^{xvi} that allows internet gambling companies to process racetrack bets.^{xvii} These gambling hubs operate under the dubious legal fiction that bets placed by gamblers wagering from outside North Dakota occur in North Dakota, because that is where the processing centers are located.^{xviii} This theory is used to circumvent concerns regarding the Federal Wire Act prohibiting internet gambling on racing.

For many years, there has been tension over the legality of greyhound ADW betting as it relates to the Federal Wire Act and pari-mutuel wagering. The Interstate Horseracing Act was amended in 2000 to allow states to decide whether residents can make ADW bets on horse races from out-of-state operators, as long as ADW was legal in both states. However, it is important to note that the Interstate Horseracing Act applies to horse races only, and makes no reference to the legality of ADW bets on greyhound racing.

Internet gambling companies like US Off-Track electronically stream dog races on mobile apps so that people in states across the country may place bets. The North Dakota Racing Commission licenses out-of-state ADW companies, with the majority of ADW profits retained by these companies. North Dakota Racing Commission Executive Director Bruce Johnson told a legislator during a June 2024 Interim Judiciary Committee Hearing that less than 1% of bets placed on greyhound racing that are processed through the North Dakota hubs were from North Dakota residents.^{xix}

In Fiscal Year 2023, \$60.7 million in ADW greyhound bets were processed in North Dakota, whereas over \$1 billion in horse bets were processed. Dog racing accounted for only 5% of all ADW bets processed in North Dakota, and the net tax generated is roughly \$240,000 per biennium.^{xx} In 2022, 16% of all dog race wagers made in the United States were made over the internet via ADW companies licensed in North Dakota.

Involvement of foreign dog tracks

Foreign dog tracks in Ireland, the United Kingdom, and Australia are using North Dakota ADW Hubs to facilitate bets from American gamblers.^{xxi} In January 2021 British company Sports Information Services (SIS), in partnership with AmWest Entertainment, introduced a new service that allows American gamblers to wager on races at British and Irish dog tracks. The agreement covers 53 race meetings per week, and as many as 33,000 dog races annually. The races are offered every seven minutes between 1:30 PM and 4:30 PM EST, with a stated goal to “keep bettors engaged and drive betting revenue.”^{xxii} This new betting service coincided with the end of dog racing in Florida, and is intended to prop up greyhound racing in the United Kingdom and Ireland. These wagers are being processed in North Dakota.

Major animal welfare violations are occurring in these jurisdictions. For example, a 2019 RTÉ News investigation revealed that nearly 6,000 Irish greyhounds are killed each year, that the industry breeds 1,000% more puppies than necessary to sustain racing, and unwanted greyhounds are sometimes killed at slaughterhouses.^{xxiii} At the same time, opposition to dog racing is surging across the world. Animal welfare advocates recently obtained more than 100,000 signatures on an official government petition in the British Parliament, triggering the first ever debate on whether greyhound racing should end.^{xxiv} In May 2021, the British government included greater protections for greyhounds in its official agenda and Queen's speech.^{xxv} Similar efforts are underway in Wales^{xxvi} and Scotland.^{xxvii} And in December 2024, New Zealand Racing Minister Winston Peters announced his intention to phase out dog racing in that country by 2026.^{xxviii}

Alleged involvement of Mexican drug cartel associate

We were particularly concerned about the welfare of dogs at a racetrack in Tijuana, Mexico, named Agua Caliente before that dog track closed in July 2024.^{xxix} There were no animal welfare standards at Caliente, and the facility was one of the worst dog tracks in the world. Several companies, including US-Off Track, were using the North Dakota hubs to process wagers on races from Caliente prior to its closure. We can confirm that dogs there regularly competed with fewer rest days than at American dog tracks.^{xxx} This likely led to higher injury rates, although Caliente did not provide the public with any data on greyhound injuries or deaths.

The owner of Caliente, Jorge Hank Rhon, has been linked to organized crime and the trafficking of endangered wildlife. Rhon "has been suspected by U.S. law enforcement and Mexican authorities of illegal money laundering activities related to illicit drug trafficking, particularly with the Arellano Felix drug cartel."^{xxxi} He was arrested and detained by the federal government in 2011 after 88 guns were found at his home, including a firearm that was linked to a murder.^{xxxii} The Governor of Baja, MX described Rhon as the head of a "criminal group" and quoted a former governor as saying, "All roads lead to the racecourse." He accused Rhon of being personally responsible for the high crime rate in his state.^{xxxiii} In 1991 Rhon was fined \$25,000 after an associate attempted to cross the US border with an endangered White Siberian Tiger cub that apparently had been born at his private zoo.^{xxxiv} Similarly, in 1995 Rhon was arrested at a Mexican airport after customs officials searched him and discovered a trove of animal skins and ivory from endangered species.^{xxxv}

Animal welfare concerns

Greyhound racing is cruel and inhumane. Profitability is prioritized over animal welfare, and dogs are subjected to standard practices that are designed to cut costs and increase the profit margin for each individual animal. Documented animal welfare concerns include:

- At commercial racetracks hundreds of greyhounds are kept inside warehouse-style kennels in rows of stacked cages that are barely large enough for them to stand up or turn around. According to industry statements, greyhounds are kept confined in their cages for 20 to 23 hours per day, with shredded paper or carpet remnants as bedding.^{xxxvi}
- Greyhounds suffer serious injuries. Per the Oregon Racing Commission, more than 10,000 greyhounds were injured in 2023 at dog tracks that are using the Oregon ADW betting system.^{xxxvii} In 2023, 568 greyhound injuries were reported at the two dog tracks in West Virginia alone, including 181 dogs that suffered broken bones and nine dogs that died.^{xxxviii}

- Since 2020 four cases of “live lure training” have been documented in Oklahoma, Kansas, Texas, and Colorado. This cruel practice involves the use of small animals to excite and enhance a chase instinct in greyhounds. Typically, screaming animals are dangled before greyhounds, dragged in front of them on ropes, or simply set loose to be attacked.^{xxxix}
- Female greyhounds are routinely given doses of a dangerous anabolic steroid, methyltestosterone, to prevent a loss of race days.^{xi} Also, greyhounds have repeatedly tested positive for cocaine at racetracks in multiple states.^{xli}
- Greyhounds have short racing careers, and are usually discarded before their fourth birthday. Historically a large number of greyhounds were killed when they were no longer profitable, and as recently as 2009 the National Greyhound Association estimated that 2,000 to 3,000 greyhounds were killed annually. Thankfully, fewer greyhounds are killed today, due to a contraction of the industry and increased emphasis on adoption.^{xlii}

North Dakota voters oppose gambling on greyhound racing

Polling conducted in 2023 by Thirty-Ninth Street Strategies found that 71% of North Dakotans oppose allowing foreign dog tracks use North Dakota to process dog bets. 75% of North Dakotans were more likely to oppose processing dog bets after hearing that North Dakota was processing bets from a Mexican dog track owned by a controversial figure with alleged ties to drug cartels. After hearing pro and con messaging, opposition rose to 75%, including 72% of Republicans.

ADW companies cannot simply move to another state

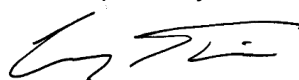
The Fiscal Notes on SB 2347 and SB 2384 raise the concern that ADW companies offering greyhound betting could move to another state. This concern is misplaced. There is only one other state, Oregon, that licenses ADW hubs. The Oregon legislature is currently considering legislation (HB 3020) to prohibit greyhound wagering, including the processing of greyhound ADW bets. That bill has been introduced at the request of Governor Tina Kotek, for the Oregon Racing Commission, and has broad support.

The small impact on the Racing Commission budget can be mitigated by phasing out greyhound betting

As the practice of greyhound racing is dying, it is not a sustainable funding source for horse racing or the Racing Commission. Greyhound bets are not a significant revenue source for the state, and removing greyhound betting will result in a reduction to the General Fund and Horsemen’s Funds each biennium of only \$290,000. This impact can be mitigated by including a two-year phase period out of greyhound betting, which we support. In states where greyhound betting has ended, some simulcast dollars have migrated to horse racing, to the benefit of the equine industry.

In closing, this is an important provision that will help thousands of greyhounds around the world. Dog racing is cruel and inhumane, and goes against our values as Americans.

Respectfully,



Carey M. Theil
Executive Director

What is “Advance Deposit Wagering” on greyhound racing?



FOREIGN DOG RACES

Greyhounds race at foreign race courses.



CRUELTY

Greyhounds suffer at foreign dog tracks, enduring lives of confinement and suffering serious injuries.



INTERNET BETS

Internet gambling companies like US Off-Track electronically stream dog races on mobile apps and let people in fewer than twenty states place bets.



NORTH DAKOTA'S ROLE

Because internet bets on dog races are legally suspect under federal law, internet gambling companies process them in North Dakota, under the legal theory that they occur there.



WHO PROFITS?

The vast majority of the profits from ADW betting on greyhound races is retained by internet gambling companies.

NORTH
Dakota | Racing Commission
Be Legendary.™



COLOSSUS

watch  wager



EBET



RACING COMMISSON

The North Dakota Racing Commission licenses out-of-state Advance Deposit Wagering companies.

- ⁱ TrackInfo, <https://www.trackinfo.com/> (accessed January 17, 2025).
- ⁱⁱ Strauss, Duncan, "Greyhound races are a thing of the past. Here's why Florida still hasn't learned that," *Jacksonville.com*, June 16, 2017, <https://www.jacksonville.com/story/news/nation-world/2017/06/16/greyhound-races-are-thing-past-here-s-why-florida-still-hasn-t-learned/15759782007/> (accessed January 17, 2025).
- ⁱⁱⁱ Pittman, Craig, "The era of greyhound racing in the U.S. is coming to an end," *National Geographic*, October 1, 2020, <https://www.nationalgeographic.com/animals/article/greyhound-racing-decline-united-states> (accessed January 17, 2025).
- ^{iv} "Greyhound Advocates Applaud Gov. Ned Lamont for Signing Bill to Outlaw Dog Racing," *PR Newswire*, May 9, 2024, <https://www.prnewswire.com/news-releases/greyhound-advocates-applaud-gov-ned-lamont-for-signing-bill-to-outlaw-dog-racing-302141798.html> (accessed January 17, 2025).
- ^v Diaz, George and Santich, Kate, "Greyhound racing Amendment 13 passes in Florida, phasing out sport by 2020," *Orlando Sentinel*, November 6, 2018, <https://www.orlandosentinel.com/opinion/os-ae-greyhound-racing-amendment-13-vote-20181106-story.html> (accessed January 17, 2025).
- ^{vi} Ebbert, Stephanie, "Mass. Voters approve dog racing ban," *The Boston Globe*, November 4, 2008, <https://files.greyl2kusa.org/pdf/11-05-08-BostonGlobe.pdf> (accessed January 17, 2025).
- ^{vii} "Dog Racing Now Officially Illegal in Connecticut," *Connecticut Senate Democrats*, October 4, 2024, <https://www.senatedems.ct.gov/dog-racing-now-officially-illegal-in-connecticut> (accessed January 17, 2025).
- ^{viii} Stites, Sam, Drake, Lauren and VanderHart, Dirk, "Oregon lawmakers say goodbye to Senate President Peter Courtney and slow toward a finish," *OPB*, March 3, 2022, <https://www.opb.org/article/2022/03/03/oregon-legislature-senate-president-peter-courtney-retiring/> (accessed January 17, 2025).
- ^{ix} "Ducey signs bill ending Arizona's live dog racing," *Your West Valley*, May 13, 2016, <https://files.greyl2kusa.org/pdf/2016.05.13 Your West Valley.pdf> (accessed January 17, 2025).
- ^x The Associated Press, "Greyhound racing ban signed into law in Colorado," *The Denver Post*, March 10, 2014, <https://www.denverpost.com/2014/03/10/greyhound-racing-ban-signed-into-law-in-colorado/> (accessed January 17, 2025).
- ^{xi} "Statement by GREY2K USA on the Signing of House Bill 630 by Governor John Lynch and the End of Greyhound Racing," *GREY2K USA*, July 8, 2010, <https://www.prnewswire.com/news-releases/statement-by-greyl2k-usa-on-the-signing-of-house-bill-630-by-governor-john-lynch-and-the-end-of-greyl2k-racing-98037069.html> (accessed January 17, 2025).
- ^{xii} "Greyhound racing in New England ends with RI bill," *The Associated Press*, May 14, 2010, http://archive.boston.com/news/local/vermont/articles/2010/05/14/greyhound_racing_in_new_england_ends_with_ri_bill/ (accessed January 17, 2025).
- ^{xiii} "H.R. 3894 – Greyhound Protection Act of 2023," *Congress.gov*, <https://www.congress.gov/bills/118th-congress/house-bill/3894> (accessed January 17, 2025).
- ^{xiv} "The Greyhound Protection Act," <https://files.greyl2kusa.org/pdf/Greyhound-Protection-Act-Endorsements.pdf> (accessed January 17, 2025).
- ^{xv} The correspondence reads, in part, "In West Virginia, we have demonstrated our intention not to become involved in or seek to influence, on way or another, legislative efforts to end greyhound racing – as long as they preserve our licenses to own and operate the Wheeling Island and Mardi Gras casinos. As to a federal effort to phase out greyhound racing, we will remain neutral" (Hansberry, Brian, "Letter from Brian Hansberry to Christine A. Dorchak, Esq. and Wayne Pacelle," *Delaware North*, March 9, 2021).
- ^{xvi} "Advance Deposit Wagering," *Oregon Racing Commission*, <https://www.oregon.gov/racing/Pages/Advance-Deposit-Wagering.aspx> (accessed January 17, 2025).
- ^{xvii} "Licensees," *North Dakota Racing Commission*, <https://www.racingcommission.nd.gov/licensees> (accessed January 17, 2025).
- ^{xviii} According to *OAR 462-220-0060*, ADW companies are operating under the legal theory that these bets are "considered to have been made in the state of Oregon" (OAR 462-220-0060, "Where the Wager is Considered to Have Been Made," *Oregon Secretary of State*, <https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=133474> (accessed January 17, 2025).
- ^{xix} Achterling, Michael, "Animal advocacy group hopes dog race betting is on its last legs in North Dakota," *North Dakota Monitor*, June 24, 2024, <https://northdakotamonitor.com/2024/06/24/animal-advocacy-group-hopes-dog-race-betting-is-on-its-last-legs-in-north-dakota/> (accessed January 17, 2025).
- ^{xx} Data provided by the North Dakota Racing Commission to GREY2K USA Worldwide, gratefully acknowledged.
- ^{xxi} "Licensees," *North Dakota Racing Commission*, <https://www.racingcommission.nd.gov/licensees> (accessed January 17, 2025).
- ^{xxii} "New SIS World Greyhound Tote Pool," *SIS*.
- ^{xxiii} Ryan, Conor, "Thousands of greyhounds 'culled each year' for not being fast enough," *RTE*, June 26, 2019, <https://www.rte.ie/news/ireland/2019/0626/1057535-greyhound-rte-investigates/> (accessed January 17, 2025).
- ^{xxiv} "Ban greyhound racing to end unnecessary deaths & suffering of racing dogs," *UK Government and Parliament*, <https://petition.parliament.uk/petitions/554073> (accessed January 17, 2025).
- ^{xxv} "Our Action Plan For Animal Welfare," *Department for Environment Food & Rural Affairs*, p. 16, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/985332/Action_Plan_for_Animal_Welfare.pdf (accessed January 17, 2025).
- ^{xxvi} Langstaffe, Joe, "Greyhound racing should be banned in Wales, says committee," *BBC*, December 15, 2022, <https://www.bbc.com/news/uk-wales-63976802> (accessed January 17, 2025).
- ^{xxvii} "Proposed Prohibition of Greyhound Racing (Scotland) Bill," *Scottish Parliament*, February 8, 2024, <https://www.parliament.scot/-/media/files/legislation/proposed-members-bills/mark-ruskell-consultation-document.pdf> (accessed January 17, 2025).
- ^{xxviii} Corlett, Eva, "New Zealand plans to ban greyhound racing over animal welfare concerns," *The Guardian*, December 9, 2024, <https://www.theguardian.com/world/2024/dec/10/new-zealand-greyhound-racing-ban-plan-winston-peters-ntwnfb> (accessed January 17, 2025).
- ^{xxix} Plante, Dan, "Nearly 200 greyhounds rescued after Tijuana dog racing track closes," *Fox 5 San Diego*, August 2, 2024, <https://fox5sandiego.com/video/nearly-200-greyhounds-rescued-after-tijuana-dog-racing-track-closes/9920847/> (accessed January 17, 2025).
- ^{xxx} "Caliente," *TrackInfo*, <http://www.trackinfo.com/tracksinfo.jsp?raceid=13=GCA%24&racedate=2021-02-10> (accessed January 17, 2025).
- ^{xxxi} Kristine Hamann, State Inspector General, "Report To The Governor On The Integrity Of Those Seeking To Operate The Racetracks At Aqueduct, Belmont Park and Saratoga," *State Of New York Office Of The Inspector General*, June 1, 2007, <https://yonkerstribune.typepad.com/files/report-to-the-governor-on-the-integrity-of-those-seeking-to-operate-the-racetracks-at-aqueduct-belmont-park-and-saratoga.pdf> (accessed January 17, 2025).
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February 4, 2025

Senator Diane Larson
Chair, Judiciary Committee
2525 Larson Road
Bismarck, ND 58504-8926

A2LA Written Testimony: Senate Bill 2347, relating to historic horse race wagering

Dear Honorable Larson,

The American Association for Laboratory Accreditation (A2LA) appreciates the opportunity to provide comment regarding the proposed amendments to Senate Bill 2347 as it relates to laboratory testing and accreditation standards.

A2LA is a non-profit, accreditation body with over 4300 actively accredited organizations located in all 50 states as well as an international presence. We have been granting accreditation to testing laboratories since 1979. The criteria forming the basis for our laboratory accreditation program is ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories. We currently have over twenty laboratories accredited for gaming testing and inspection. We ourselves have been evaluated against rigorous standards in providing this accreditation service and are recognized internationally as an International Laboratory Accreditation Cooperation (ILAC)-recognized accreditation body.

Overall, we are in support of this bill; however, we appreciate the opportunity to provide recommended language to amendments to strengthen the independent laboratory requirement. Requiring an independent laboratory helps assure an objective testing environment but does not take into consideration the technical competency of the laboratory. By requiring an accreditation to ISO/IEC 17025 by an accreditation body, will help assure that independent objective testing is being conducted by a technical competent laboratory. The following is the language we recommend:

Page No. 10 line 15

(3) Has been tested by an independent testing laboratory, accredited to ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement, such as A2LA, to ensure integrity and proper working order; and

We would be pleased to elaborate on our comments or provide additional information. You are welcome to contact me directly via email at rquery@A2LA.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randall Querry', is written over a white background.

Randall Querry
Director of Government Relations
American Association for Laboratory Accreditation (A2LA)



Established 1906

February 5, 2025

Chairman Larson, Members of the Committee;

My name is Jim Gartland, I am the Executive Director of the National Greyhound Association (NGA) in Abilene, KS. We are the official registry of all racing greyhounds in North America. We are a membership organization devoted to overseeing the recording of the breeding, whelping, registration and performance of all racing greyhounds on the continent. As greyhound experts and industry professionals, the NGA is devoted to the welfare and stewardship of the majestic greyhound breed.

On behalf of the National Greyhound Association membership and racing fans across the United States, we respectfully urge you to oppose SB2347 which, among other things, bans wagering on simulcast greyhound racing. Like many forms of gambling, wagering has moved to online platforms and in small business off track betting establishments. These wagers assist in offsetting general funds and governmental regulatory commissions as well as provides purse monies for horse racing, among other things. This bill would eliminate wagering on a single parimutuel activity that doesn't even occur within the state of North Dakota. Racing elsewhere in the country is heavily regulated by individual state commissions and operates with transparency to protect the racing animals and the integrity of the sport.

Senate Bill 2347 is obviously influenced by animal rights activists and their far right agendas. This bill would help to destroy the greyhound industry putting thousands of dedicated people out of work including greyhound farmers, trainers and kennel operators as well as track employees and associated businesses like veterinarians, feed and equipment suppliers and other entities. It would also bring a sad end to a breed of dog who's lineage can be traced back thousands of years.

Animal rights is a movement threatening the very heart of animal ownership and should be watched very carefully. Animal rights and their advocates believe the ideology that "there is no distinction between animals and humans." They view animal ownership as exploitation and slavery. The true goal of Animal Rights

Groups such as PETA, and Grey2K is to work for legislation and humane care "until all animals are no longer owned or utilized by human beings." The massive quantities of money raised by these groups is used primarily for salaries, fundraising and lobbying efforts with very little (usually about 2%) actually going to the animals themselves.

You have heard/will hear testimony today that is the same, tireless fabrications and rhetoric that have been espoused by these groups for over thirty years. These lies have been directed at our industry in particular because we are "the low hanging fruit" at the moment, but believe me, we are just the first in line of many to come including horse racing, rodeos, and any other animal related industries.

We ask that you take the time to look beyond the lies and innuendo and see the truth about greyhound racing and the tremendous strides this industry has made through the years. We ask for your support in defeating this bill and are available at any time to answer any questions you might have.

Jim Gartland

Executive Director, National Greyhound Association



Testimony in **Opposition** to Senate Bill 2347

Submitted by US Off-Track, LLC

Members of the North Dakota Legislature, US Off-Track, LLC respectfully asks that you **Oppose** Senate Bill 2347 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 2347 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 2347

+1 (727) 812-3221



lorilee.goodall@usofftrack.com





1240 Coral Way, Singer Island, FL 33404

Members of the N Dakota Legislature;

I am Michael Weiss, President of PariBet LLC, an Advanced Deposit Wagering Company licensed in North Dakota.

Racing is not just a Sport, Racing is a business that stretches from jockeys, to fans, veterinarians, farms and communities. Racing has a very strong impact on the economy, agriculture and so much more in the community in which it operates.

As a business licensed in your state, my company has paid to the State of North Dakota over 5 million in tax dollars and has contributed another 1.5 million dollars in support of horsemen and the racetrack. I do not understand how one group, without any ties or business in North Dakota, that does not care for Greyhound racing, can step into your State, submit a self-serving bill and manipulate the livelihoods of individuals and companies that have supported and contributed so much to your state's economy for decades. If this bill is passed as written, companies such as my own would be forced to either leave North Dakota or close. Either option will definitely send some of my employees to the unemployment line.

Also, I personally, have donated my time to reopen and manage the Fargo Racetrack (Horse Racing North Dakota), HRND. PariBet has created the "PRISE" PROGRAM (Paribet Racing Student Experience - see brochure below.) in which my wife and I train and mentor University Students and help them find jobs and careers at our own expense. One student, in particular, is your current racing manager, Hugh Drexler.

My request today is for changes to SB #2347, which states it being illegal to wager on Greyhound racing.

Specifically:

Section 1. Amendment. section 53-06.2-01 of the North Dakota Century Code #15. Please leave as originally written:

15. Racing means live or simulcast horse racing under the certificate system or simulcast dog racing under the certificate system.

And

Section 5. Amendment. Section 53-06.2-07 #4. Please strike this from the Bill:

4. A licensee, including totalizator provider or service provider may not offer bets or wagers on dog races.

I also must point out that PariBet currently has customers that reside internationally. There are countries in the world in which Greyhound racing is revered and highly regulated. The way the Bill is currently being proposed, my international customers would not be allowed to wager on a legal international jurisdiction.

Ireland, for example, has a huge Greyhound celebration which includes the Irish Greyhound Derby. The Derby is a highly regulated event and a huge festival! People come from all over the world for the event.

For example, a customer of ours, in Switzerland would like to wager on Irish greyhounds, or Australian Greyhounds, Countries where Greyhound racing is regulated and legal. We should not be telling our customers they are forbidden. They would move their business somewhere else. I would certainly lose customers, including the business they do with me in the horse industry worldwide.

My wife and I have enjoyed our years of being licensed in North Dakota. We support the State and Racing with our Tax and Charitable donations of not only monies, but our time.

Again, I respectfully ask that SB No 2347 not be passed as written.

Thank you,

Michael Weiss
President, PariBet LLC
(614) 496-8383



The students that saved the track.

11

About PariBet

www.pariбет.com is a pari-mutuel ADW (advanced deposit wagering) service, providing legal and secure online account wagering for Horse and Greyhound racing with partner tracks from across the world. PariBet LLC is licensed in the State of North Dakota, USA and is regulated by the North Dakota Racing Commission. All wagers placed through pariбет.com are commingled with contracted and partnered host tracks pari-mutuel pools.

PariBet works to strengthen the racing industry through educational partnerships providing real world experience for students.

Rillito Racetrack

Historic Rillito Racetrack, the birthplace of Quarter Horse Breeding and Racing, opened in 1943. It is listed in the National Registry of Historic Places. The Rillito Park Foundation is a non-profit organization founded by area businessmen desiring to save the track along with the adjacent Jelks Stud Farm.

The Foundation hired PariBet's Michael Weiss to bring his expertise to this endeavor. They have been working together for the past five years. Successful continuance of racing and turning the Jelks Farm into a museum that will enhance the experiences of both citizens and visitors to Tucson is the Foundation's focus.

"A big thank you to Mike Weiss of Rillito Park and PariBet and to Rillito Park Foundation for all they are doing to change the lives of students from The University of Arizona College of Agriculture and Life Sciences."

-- Dr. Shane Burgess

Vice President and Charles-Sander Dean Agriculture, Life and Veterinary Sciences, and Cooperative Extension
The University of Arizona

P.R.I.S.E. Program

PariBet Racing Industry Student Experience (P.R.I.S.E.) was created by Michael Weiss, President of PariBet and RTIP Alum, as an educational outreach program. PRISE represents a partnership between PariBet, the Rillito Park Foundation, the University of Arizona College of Agriculture and Life Sciences and its RaceTrack Industry Program. Through this program, internship positions have been created at Rillito Park Racetrack in Tucson, Arizona. Students interested in working at a racetrack get hands on, in the trenches experience working in the racing office, media centers, mutuels, hospitality, admissions and management. Every aspect involving creating the racetrack experience for racing fans is handled by the interns in the PRISE program. Students receive payment during their internship as well as college credit toward their degree.

A new program, Equine Wellness, is being developed by the PRISE program. The Track Veterinarian and Stewards are working with College of Agriculture and Life Sciences students not involved through the RTIP. One goal is to educate trainers in equine nutrition and new training methods. Another is to develop a program which will be used to evaluate the soundness and health of the horses participating in the race meet. Ultimately, the goal is to enhance the health of the athletes and protect the integrity of the sport.

PRISE program interns have been highlighted in the Paulick Reports. A "must read" among racing industry members and fans. Bios can be found at www.paulickreport.com/features/racing-industry-student-experience. Also look for the "Where are They Now" features on P.R.I.S.E. participants.

PariBet, through its connections in the racing industry, has also been instrumental in helping graduating students find full time employment and undergrads find internships. Past students mentoring at PRISE have been placed in strong leadership positions in Breeding Farms, Tote Companies, The New York Jockey Club and top racetracks.

PariBet Gives Back!

Other projects include working with the North Dakota Racing Commission to manage the North Dakota Horse Park. In 2012, live racing returned to Fargo, North Dakota, after a two-year absence. Michael Weiss, from PariBet, was instrumental in reopening the successful live meet, which has continued to run each July.

PariBet, to date, has given contributions exceeding \$5,000,000 and hundreds of man hours back to the industry. PariBet's contributions support live racing, the P.R.I.S.E. student program, Thoroughbred and

Quarter Horse Associations, student scholarships, and a partnership with World Breeders Cup Championships, Breeds funds and racing promotion funds as well as Disabled Jockeys.

University of Arizona

College of Agriculture

and Life Sciences

The shining jewel of the College of Agriculture & Life Sciences at the University of Arizona is the Race Track Industry Program (RTIP). Established in 1970, the program educates the future leaders of the racetrack industry.

Many of the RTIP Alumni are current luminaries in the industry including two-time triple crown winning trainer, Bob Baffert. P.R.I.S.E students have proven to become the racing industry's future. They help to run Rillito Racetrack by participating in active roles such as: Assistant General Manager, placing judge, photo finish operator, TV graphics, racing office, handicappers, program development, social media, outriding and much more. This experience has prepared them to take active roles in moving racing into the future and exposing new and younger audiences to the sport.





13011 W. Highway 42, Suite 107
Prospect, KY 40059, USA
Office: (502) 292-1075 Fax: (502) 292-1076

February 4, 2025

Subject: Letter in Opposition to Senate Bill 2347

Dear Members of the North Dakota Legislature,

AmWest Entertainment, LLC has been processing pari-mutuel wagers on horse and greyhound racing for over twenty-one years. We are the largest independent ADW in the North American market. Originally, we were an operator of off-track betting facilities and shifted to online wagering (www.AmWager.com) as customer and market preferences changed.

Proudly, in 2024 we received licensure from the North Dakota Racing Commission as an Advanced Deposit Wagering (ADW) company to accept wagers from residents from inside and outside the State of North Dakota on horse and greyhound racing.

We are writing in opposition to SB2347.

SB2347

Regardless of where the customer lives, an ADW customer's wagers are considered North Dakota wagers. SB2347 intends to ban wagering on Greyhound racing by all our customers and all residents of North Dakota. While there are only two remaining greyhound tracks in the US that operate live racing, there are many tracks worldwide that offer the sport. Our clientele enjoys the sport of greyhound racing and wagering on it. On any given day, over 10% of our wagering is done on greyhound racing. Many of our customers wager on greyhound racing exclusively, and another significant portion of our customer base makes most of their wagers on greyhound races and a much smaller amount on horse racing.

Even though there is no live greyhound racing in North Dakota, wagering on the sport of greyhound racing supports live horse racing in the state. The fees in which all ADW operators pay go to support horse racing prize money known as "purse money", breeding funds, and to the Racing Commission.

If SB2347 becomes law, ADWs would lose a significant amount of customers. The cohort of customers who wager all or a predominant amount of their money on greyhound racing will disappear and the horse racing industry in North Dakota would be left hurting, dealing with the unnecessary negative financial consequences.



13011 W. Highway 42, Suite 107
Prospect, KY 40059, USA
Office: (502) 292-1075 Fax: (502) 292-1076

We urge you to support the farmers and horsemen of North Dakota by opposing SB2347. It is harmful to the economy and residents of North Dakota.

Thank you for the opportunity to provide this testimony.

Yours Truly

A handwritten signature in black ink, appearing to read "Nelson Clemmens", written in a cursive style.

Nelson Clemmens

Founder & CEO
AmWest Entertainment, LLC

t. 1 415 464 4882

f. 1 859 559 0536

www.watchandwager.com

700 Larkspur Landing Cir, Ste 199
Larkspur, CA 94939Tuesday 4th February 2025

To: Members of the North Dakota Senate Judiciary Committee

Cc: North Dakota Racing Commission

RE: Opposition to Draft Bills SB2347 and SB2384 – Written Testimony

Dear Members of the North Dakota Senate Judiciary Committee

Purpose of letter

The purpose of this letter (and the testimony provided) is to express our strong objection to Bills SB2347 and SB2384. Both the Bills suggest the potential banning of wagers placed on greyhound racing under our current advanced deposit wagering (ADW) licence with the NDRC. The rationale for this opposition is detailed below.

Executive Summary

In summary we believe it would have a significant impact on the NDRC, the General Fund, the Horse Breeders Fund, the Promotional Fund and the General Operating Fund, plus the Charities that we support, and therefore the State of ND. This would mean that we will review our licensing strategy both domestically in the USA and internationally, so impacting our licensed presence in ND.

We consider this to be a serious situation, motivated by external operators, with no real interest in the ND economy, and Horseracing in the State. This particularly applies to the potential for the legalization of Historic Horse Racing Machines (HHR), which has only been framed to support large operators from outside of the State. We consider they are poor pieces of draft legislation drafted to benefit State operators.

Without talking for them we believe there is strong support for the opposition amongst all the major licensed ADW operators in the State, and all other interested parties, including our charitable partners and of course the future of horseracing and an agricultural way of life in the State of ND.

Hence our testimony, our strong objection and recommendation for a NO position on both Bills.

Company Overview

A quick reminder of the credentials of WatchandWager.com. I am the President and have over 30 years industry experience. We are fully owned by Webis Holdings (UK). We run two main operations in the US – the principle being our ADW operations at www.watchandwager.com. We have been licensed by the NDRC since inception in 2012. Below I highlight our key metrics since inception. These figures can and have been audited internally by KPMG. In addition, they are available via our Settlement Agent CHRIMS if required. So, they are factually correct and of course there are significant sums of money and contributions to the State of ND, now seriously under threat.

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Impact on Handle

WAW has handled just above USD \$430million across all breed types under its current ADW Operator license through the NDRC. Trends have been stable per annum since inception.

Impact upon North Dakota – General Fund

As a result, Payments of Betting Duty to ND State (the Four Funds listed above) have totaled over USD \$1million.

Impact upon Charities

As a result, Payments to our contracted ND Charities have totaled over USD \$430, 000.

Impact overall

These are significant sums of funds for the State of ND and would be at threat. In the avoidance of doubt, it would be highly likely that WAW would not seek a license renewal in ND for 2026, if these Bills were passed.

Whilst of course we do not know the figures for the other ADW operators currently licensed by the NDRC – I would assume that our figures stated below would multiply by many times, when the sums from all licensed operators are impacted from this change.

Motives for such changes

I would opine that the motive behind both Bills is simply to allow Out of State operators to benefit from two very poor draft bills in regard of HHR. The wording is restrictive in nature and only of benefit of Out of State operators – so money going out of North Dakota.

Exacta Systems

It is believed that the above-named supplier could be the principal supplier of the machines. It should be noted that at time of writing we do not believe that technology is pari-mutuel in nature. These raise significant legal concerns.

Other Options for WatchandWager

Management is already considering other options should these Bills pass forward. We must protect our business, and the scenario would be that we would not apply for a license renewal as an ADW under the NDRC for 2026.



t. 1 415 464 4882

f. 1 859 559 0536

www.watchandwager.com

700 Larkspur Landing Cir, Ste 199
Larkspur, CA 94939

Summary

In summary our view is these are badly thought-out Bills, drafted to take revenue out of the State. They will have a significant negative impact on levy (through the Funds) and charitable contributions. This would have a knock-on effect on the viability of Horseracing, jobs and a whole agricultural way of life in North Dakota.

We strongly oppose opposition to both Bills and a NO Vote.

Any questions, let me know, my details below.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ed Comins", with a long, sweeping horizontal stroke extending to the right.

Ed Comins

President

WatchandWager.com LLC

www.webisholdingsplc.com

www.watchandwager.com

c: +1 925 336 4499

SENATE JUDICIARY COMMITTEE
SENATE BILL 2347
Testimony Submitted by Janelle Mitzel
Charitable Gaming Director, Development Homes, Inc.
February 5th, 2025

On behalf of Development Homes Inc., I urge a Do Not Pass recommendation on SB 2347.

Development Homes, Inc. is a non-profit organization based in Grand Forks dedicated to providing community based support services to persons with disabilities. DHI provides residential, vocational, and family services including job training and placement, respite care and in-home support. DHI employs 450-500 people and has a significant fiscal impact on the GF community.

Development Homes, Inc. is a ND licensed off-track betting site operator with operations in two betting locations. Being involved with the ND racing industry since 1995, it is clear this is not a horse racing bill. This is a bill to create large scale casinos or “racinos” in ND.

This bill creates non-traditional ND gaming, redefining, and overhauling gaming as we know it:

- ND charities abide by very strict rules and regulations. Historic horse racing slot machines would not fall under these stringent rules or oversight.
- This bill creates privatized gaming. There is no designated charity or designated charitable purpose. Follow the money – the international manufacturers are the largest benefactor involving historic horse racing slot machines.
- This bill is a major expansion of gaming. Historic horse racing slot machines would have unlimited betting limits and allows unlimited number of machines.
- This bill has unlimited expansion abilities for the private sector in building tracks and racinos across the state.
- This is Vegas style gambling. The payouts are not required to be cash. They can be cars, trips, anything that you would see in large jackpot casino environments.
- This bill would allow for the use of credit cards and credit play on these HHR slot machines. ND outlaws credit play involving ND charitable gaming.

Legislators have a clear choice. For nearly 40 years legislators and the citizens of ND have contributed to a successful, thoughtful partnership raising millions for ND charitable purposes. The passage of this bill raises money for a private international industry at the expense of the 300+ wonderful charities that provide funding for worthy causes across this state.

Thank you for your consideration of a Do Not Pass recommendation on SB 2347.



Bismarck-Mandan
Convention & Visitors Bureau
1600 Burnt Boat Drive
Bismarck, ND 58503
701-222-4308
800-767-3555

Testimony of Sheri Grossman
Bismarck-Mandan Convention & Visitors Bureau
Senate Bill 2347
February 5, 2025

Chairperson Larson and Members of the Senate Judiciary Committee:

My name is Sheri Grossman, and I am the CEO for the Bismarck-Mandan Convention & Visitors Bureau (CVB).

Thank you for the opportunity to provide testimony in opposition to Senate Bill 2347, which proposes the authorization of historic horse race wagering in North Dakota. While proponents argue that this bill will benefit the equine industry, it raises serious concerns about the expansion of gaming in our state without the same restrictions and safeguards imposed on charitable gaming organizations.

We frequently hear from legislators about concerns regarding gaming expansion and the need to ensure that any growth in charitable gaming is tightly regulated. This bill seems to contradict those principles by significantly expanding gaming operations without the same oversight and requirements that charitable gaming organizations must follow.

For these reasons, I respectfully ask for a do not pass on Senate Bill 2347. This bill as currently introduced represents an unchecked expansion of gaming in North Dakota, prioritizes out-of-state interests over local communities, and diverts potential funding away from charitable organizations that have long supported our state in communities throughout North Dakota. Instead of opening the door to a new form of gambling, we should continue ensuring that gaming activities in North Dakota remain responsibly managed and beneficial to our residents.

Thank you for your time and consideration.





Enhancing Our Impact

2024 Annual Report

Our Purpose

NDAD (the North Dakota Association for the Disabled) is a nonprofit, charitable organization that assists people with health challenges in North Dakota. Our mission is to enhance the quality of lives of individuals facing health challenges.

Who We Help

Here are a few people from each of our regions who have shared their NDAD story with us. See all at ndad.org.



Kristi Dilger

(Bismarck)

Condition: Juvenile Rheumatoid Arthritis

How NDAD helped:
Medical Equipment



Anne Compton

(Grand Forks)

Condition: Parkinson's Disease

How NDAD helped:
Community Fundraiser



Roger Wilson

(Dickinson)

Condition: Lymphoma

How NDAD helped:
Prescription Assistance
Medical Travel, Lodging



Lynette Deaver

Condition: Anxiety, Depression, Arthritis

Larry Hanson

Condition: Anxiety, Depression, Epilepsy
(Minot)

How NDAD helped:
Paratransit Assistance



Greg Lane

(Fargo)

Condition: Diabetes, Chronic Kidney Disease, Coronary Artery Disease

How NDAD helped:
Prescription Assistance, Equipment, Paratransit Assistance



Geno Williams

(Williston)

Condition: Autism

How NDAD helped:
Adaptive Recreation Assistance

Community Impact

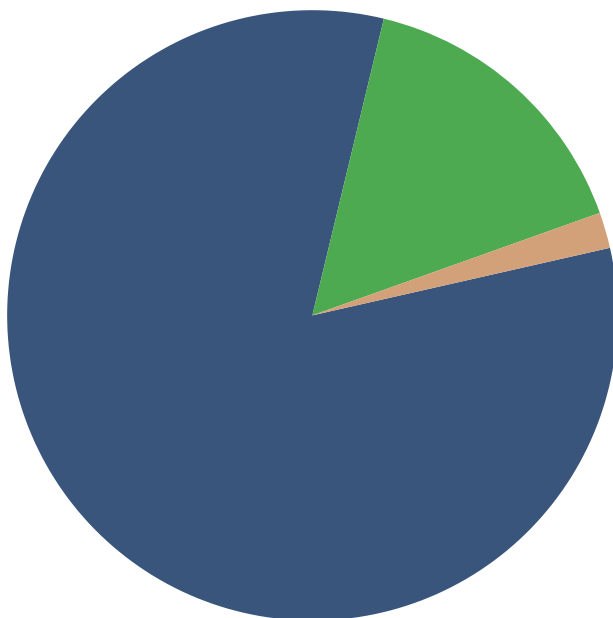
- Direct Financial Assistance
 - Prescription Medication
 - Medical Equipment & Supplies
 - Medical Travel
 - Accessibility & Paratransit
- Healthcare Equipment Loan Program
- Adaptive Recreation Events & Activities
- Community Fundraising Projects
- Organ Transplant Fund
- Information, Referral and Advocacy

To read more about these programs, visit ndad.org

2024 at a Glance

- Loaned **5,424 pieces of medical** equipment to **2,940 individuals** saving North Dakota residents **over \$664,040**
- **6,121 prescriptions** filled
- **2,134 medical trips** funded
- Purchased **328 pieces of medical equipment** and **567 medical supplies**
- **Wheelchair-accessible van** loaned to 126 individuals **for 246 trips.**
- Funds totaling **\$100,050 awarded to 24 organizations** to either assist individuals with disabilities or those otherwise at risk
- **8,049 accessible rides** funded for employment, shopping, and community events
- **4,465 hours** personal attendant care, respite care provided
- **50,665 interactions made**, such as phone calls, emails and other communication

Financial Impact*



82.4%

Program
Services

\$2,235,103

15.8 %

Management &
General

\$428,292

1.9%

Fundraising

\$53,248

Testimony for SB 2347
Senate Judiciary Committee
Provided by Don Santer, NDAD
02-05-2025

Chairperson Larson and committee members,

Thank you for the opportunity to provide information regarding the charitable gaming industry of North Dakota. My name is Don Santer, representing the North Dakota Association for the Disabled (NDAD). For 50 years, NDAD has been dedicated to improving the quality of life for persons with disabilities and health challenges across North Dakota.

NDAD is a non-profit, charitable organization serving individuals with health concerns and disabilities throughout the state from our six locations in Bismarck, Dickinson, Fargo, Grand Forks, Minot, and Williston. In 2024, NDAD assisted thousands of North Dakota residents with more than **\$2.23 million** in services and resources that may have been otherwise unavailable to them. We work diligently to avoid duplicating services provided by other state or local entities, making us a crucial last resort for many individuals.

In 2024, NDAD funded most of its services through charitable gaming funds, which enabled us to make a significant impact on the lives of people with health challenges and their families:

- **6,121 prescriptions for covered medications:** Ensuring individuals have access to necessary medications to manage their health conditions.
- **2,134 out-of-town medical travel trips:** Providing transportation for essential medical appointments, reducing the burden on individuals and their families.
- **8,049 accessible rides for employment, shopping, and community events:** Facilitating independence and participation in daily activities.
- **24 organizations were awarded \$100,050 in funds to assist individuals with disabilities or those otherwise at risk:** Supporting other organizations in their efforts to improve the lives of people with disabilities and health challenges.
- **328 pieces of medical equipment and 567 medical supplies purchased:** Ensuring individuals have the tools they need to manage their health and maintain their independence.
- **40-50 individuals assisted with adaptive recreational activities annually:** Promoting physical and mental well-being through inclusive recreational opportunities.
- **Healthcare Equipment Loan Program (HELP):** Serving several thousand households with 5,424 pieces of equipment, equating to a savings of more than \$664,000 for North Dakota residents.

Additionally, NDAD administers the North Dakota Transplant Fund and provides information, referral, and public awareness to North Dakota residents. Our mission is to serve the residents of North Dakota, and it is through charitable gaming that we are able to fulfill this mission. The services provided by NDAD are not just beneficial but essential for improving the lives of people with disabilities and health challenges. They offer the support needed to overcome barriers, achieve personal goals, and live fulfilling lives. By ensuring access to these services, we create a more inclusive and equitable society for everyone.

Representing NDAD's charitable gaming interests, we firmly oppose **SB 2347**.

A Brief History:

- 65th Legislative Assembly: SB 2221, relating to the compulsive gambling prevention and treatment fund and the regulation of historic horse racing, failed in the House (45-46) and reconsideration failed.
- 66th Legislative Assembly: HB 1443, relating to the regulation of historic horse racing, failed in the Senate (3-41).
- 67th Legislative Assembly: HB 1444, relating to the regulation of historic horse racing, failed in the House (10-83).
- 68th Legislative Assembly: We had a break from historic horse racing (HHR) legislation!!
- 69th Legislative Assembly: We are once again opposing HHR in SB 2347.

The charitable gaming industry has consistently opposed these bills for the following reasons: these machines have an unfair advantage, almost no restrictions, and not available for charitable gaming. If HHR machines were subject to the same restrictions as electronic pull tabs, NDAD would not be opposed.

Electronic Pull Tabs Restrictions:

- Limited to 10 machines per site.
- Maximum wager of \$2.00.
- No progressive jackpots.
- 40% of Adjusted Gross (after prizes are paid) must be used for charitable purposes.
- 12% tax on Adjusted Gross (after prizes are paid).
- Machines must stand alone per site - no interconnections to machines at other locations.
- Restricted from having video presentations that mimic classic slot machines.

Out-of-State Interests: The legislative campaign for this bill is driven by out-of-state interests and private parties, including Churchill Downs and its subsidiary's. This is another attempt by a large, private, for-profit international gambling company to create "horse race casinos" in North Dakota, disguised as support for North Dakota horse racing. This is a **massive expansion of gaming** in North Dakota.

Please do not open the door to privatized, non-charitable gambling in North Dakota. I respectfully ask you to consider a **"Do Not Pass"** recommendation on SB 2347.

Thank you for your time and consideration.

Respectfully,

Don Santer,
North Dakota Association for the Disabled (NDAD)

SENATE JUDICIARY COMMITTEE
SENATE BILL 2347
Testimony Submitted by Bill Kalanek, CGAND
February 5th, 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.

Dear Senators,

I am writing today with strong opposition to SB2347 .

This bill has been run through these halls for 3 sessions and has been voted down each time.

This bill would hurt all charities around the Fargo area. By allowing this bill to pass you would be granting a racino (casino) to be built on the edge of Fargo. This money would be for the private sector of horse racing and the breeders of race horses. The bill does not require the proceeds to be used for any charitable purposes.

This very committee has shown time and time again that they do not support the expansion of gaming. This is a huge expansion of gaming that is privatized and not charitable. This racino would not be regulated by the Attorney Generals office. They also would not be subject to any limitations on machines.

Out of state companies have hired lobbyists to help get this bill passed. That tells us one thing, these monies will be funneled out of state.

ND horsepark has charitable gaming now, so let's keep this an even playing field.

This bill keeps recycling every two years. Its time to stop beating a dead horse.

Please vote DO NOT PASS

Thank you,

Jason Campbell



SPIRIT LAKE TRIBE

P.O. BOX 359 • FORT TOTTEN, ND 58335 • PHONE 701-766-4221 • FAX 701-766-4126

February 4, 2025

Chairperson and Members of the Committee,

My name is Lonna J. Street, and I am the chairwoman of the Spirit Lake Tribe.

The Spirit Lake Tribe strongly opposes Senate Bill 2347, which seeks to authorize historic horse race wagering in North Dakota. This legislation represents yet another attempt by the state to expand gaming without consulting tribal nations, despite the legal protections afforded to us under federal law. This is a direct infringement on our sovereignty, an economic attack on our ability to provide for our people, and a continuation of the state's long-standing pattern of disregarding tribal rights in gaming policy.

The Indian Gaming Regulatory Act (IGRA) (25 U.S.C. § 2701 et seq.) was passed by Congress to ensure that tribes have exclusive rights to regulate gaming on their lands, recognizing gaming as a critical tool for economic self-sufficiency. By allowing non-tribal businesses to engage in pari-mutuel wagering on historic horse races, SB 2347 violates the intent of IGRA and undermines the Spirit Lake Tribe's ability to maintain control over gaming within our jurisdiction.

This state-sanctioned expansion of gambling was proposed without consultation with the Spirit Lake Tribe or any other tribal nations. That alone is unacceptable. Under Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments), states government to engage in meaningful consultation with tribes before enacting policies that impact us. We have compacts and agreements with the state. Yet, once again, we were excluded from discussions while state leaders worked behind closed doors to pass legislation that will economically harm our people.

The Spirit Lake Casino and Resort is one of the primary economic engines for our community. Gaming revenue funds healthcare, education, elder services, and infrastructure for our people. When the state previously introduced electronic pull tab machines without consultation, it caused severe financial damage to tribal casinos, taking millions in revenue away from Native communities and redirecting it into the state's hands. SB 2347 follows the same pattern—authorizing a new form of gambling that will divert revenue away from tribal casinos and into non-tribal businesses.

This is not just about money; it is about our ability to be self-sufficient and to provide for our people. The state's continuous expansion of gaming without tribal input is a direct assault on our economic stability.

The State of North Dakota has a well-documented history of failing to engage in fair gaming negotiations with tribal nations. The introduction of pull-tab machines without tribal consultation shattered trust between the state and our nations, and now, with SB 2347, the state must not continue this pattern of disrespect and disregard for our rights.

Our gaming compact with North Dakota was negotiated under IGRA's requirement that the state act in good faith (25 U.S.C. § 2710(d)(3)(A)). If the state expands gaming opportunities for non-tribal entities while refusing to allow tribes the same opportunities, this is a clear violation of good faith negotiations.

Additionally, the bill allocates revenue from historic horse race wagering to state and local funds but excludes tribal governments entirely. This is yet another example of the state profiting from gaming while shutting tribes out of the conversation. If the state wants to expand gaming, then tribes must be included as equal partners.

We will not stand by while the state once again disregards tribal sovereignty and our right to economic self-determination.

The Spirit Lake Tribe hereby requests:

- ☐ Immediate consultation between tribal governments and the state regarding SB 2347 and any future gaming legislation.
- ☐ Inclusion of tribal casinos in any new gaming opportunities—if the state is going to expand gaming, tribes must be included.
- ☐ A halt to all legislative efforts to expand non-tribal gaming until full tribal consultation has taken place.

If the state moves forward with SB 2347 without addressing our concerns, the Spirit Lake Tribe and any Tribal government has a right to take legal action under IGRA to challenge this violation of our rights. We will also petition the National Indian Gaming Commission (NIGC) and the Bureau of Indian Affairs (BIA) to review whether North Dakota is acting in bad faith by attempting to bypass tribal gaming compacts.

The Spirit Lake Tribe has fought for generations to protect our sovereignty and our right to economic self-sufficiency. We will not allow North Dakota to continue expanding gaming while ignoring the very tribal nations who have historically led this industry. In recent years, the state and many tribes have been working hard to create meaningful interaction with building state and tribal relations. And we both have benefitted from positive and meaningful dialogue; we highly recommend continuing this by respecting our request for meaningful consultation.

I thank you for your time and energy today,

Lonna J. Street
Chairwoman
Spirit Lake Tribe

cc: Spirit Lake Council

**Testimony in Opposition of
SENATE BILL NO. 2347
Senate Judiciary Committee
February 5, 2025**

Honorable Chair Larson, Senate Judiciary Committee members, for the record my name is Rick Stenseth. I have been in charitable gaming since 1983. I am a Gaming Manager for two local organizations in Fargo that both conduct charitable gaming (Northern Prairie Performing Arts (NPPA) aka Fargo-Moorhead Community Theatre & Team Makers Club). I am submitting this testimony through our NPPA lobbyist, Todd D. Kranda, who is an attorney with the Kelsch Ruff Kranda Nagle & Ludwig Law Firm in Mandan.

SB 2347 would allow “equine racing facilities” to conduct historic horse race (HHR) wagering through electronic “stand-alone” terminals, very similar to e-tab devices. That type of wagering would be considered pari-mutual and, other than licensing, would not fall under the rules, oversight, and policing of the Attorney General’s Gaming division and the Gaming Commission. It places this type of gaming under the Racing Commission to adopt rules and police operations without regard to standards set for other charitable gaming in North Dakota.

SB 2347 states that historic horse racing is to be conducted ONLY within an equine racing facility. The facility may have no LESS than 2 terminals, with no upper limit on the number of terminals. A very large potential number, far exceeding the number of e-tab machines could be allowed per site. It would permit this wagering at only one or two currently existing racing facilities.

While 2347 does allow for various organizations to get involved by “assisting in the conduct” of pari-mutual wagering, their primary purpose must be either “equine education”, “community recreation”, or “economic development”. No other type of charitable gaming has such a restrictive definition.

There are no limits set on the amount that may be wagered. There is no requirement for any specific percentage of proceeds to be contributed to eligible uses as with all other charitable gaming. 2347 does not identify just what eligible use of proceeds may be. It does state that the licensee (the business that provides the system) may deduct up to 25% of the amount wagered. It appears that those organizations who conduct will receive a small percentage of the wagers handled for the “assist” they provide the provider. The same is true for handling simulcast or “live” racing wagers.

One-fourth of one percent would go to the State’s general fund in lieu of any taxes. One-fourth of one percent to the county, and the same to the city in which the equine racing facility is located. Page 13, lines 24-28 in 2347 separates the wagers under the certificate system from HHR. HHR does not use the certificate system as defined earlier in 2347.

“Live” horse racing is currently allowed on a preset, limited number of days during a year. 2347 would open historic horse race wagering to be conducted daily, all year around, regardless if “live” or simulcast racing is taking place.

“Historic Horse Race” just means an electronic version of a pre-run horse race. They are in stand-alone cabinets, just as e-tabs exist now. Historical horse racing terminals (HHRs) look much like slots from the user’s perspective, but they generate results using the outcomes of past horse races. They are not governed by the rules of conduct that e-tabs operate under.

Historical horse racing gives players a slot-like experience in states where full-fledged slots are not legal. In short, it is legal pari-mutuel horse racing betting with a slots-like patina. Only the last few seconds of the race are displayed on a small part of the screen. The rest of the monitor displays reels and symbols to show the player what, if anything, they won off their wager.

Unsurprisingly, there’s significant debate regarding the legality of HHRs. One of the main points of contention is whether HHRs meet the legal definition of “pari-mutuel betting.” Also known as totalizator or tote betting, pari-mutuel wagering currently legal in most states.

Recently, Minnesota horse race tracks briefly received permission to offer historical horse racing but lost the opportunity before they could install a single machine. The Minnesota legislature passed a bill reversing that position and banned historical horse racing less than two months later.

Imagine the Fargo Horse Park having their regular racing season with the addition of year-round HHRs. It would become a Canterbury Downs, operating all year round, even without “live” racing. With it open for most charities to conduct; blackjack, poker, paper jars, and e-tabs, and all other games that could be offered to go with the unlimited number HHR machines.

Because the availability of HHR would be limited to locations and organizations, once the door is open, calls will come from many to allow the use of them in all gaming locations so they can compete with the "equine racing facilities". Should that come about, this expansion would multiply exponentially. This is an expansion of gaming that we do not need or want.

Accordingly, 2347 is opposed. We urge a **DO NOT PASS** recommendation on 2347.

Sincerely,
Rick Stenseth
Gaming Manager
NPPA/FMCT/Team Makers Club
701-306-2224



North Dakota House of Representatives

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Representative Collette Brown

District 9
3395 89th Avenue NE
Warwick, ND, 58381-9409
cbrown@ndlegis.gov

COMMITTEES:

Industry, Business and Labor
Government and Veterans Affairs

February 5, 2025

Good morning, Chair Larson and members of the Senate Judiciary Committee. For the record my name is Collette Brown, Representative from District 9 which encompasses two Tribes of North Dakota, the Turtle Mountain Band of Chippewa and the Spirit Lake Tribe.

Today, I stand before you to shed light on the importance of transparency in our legislative processes. We must ensure that the true intentions of bills and laws are not obscured by convoluted language. One such example is the HB2347 regarding Historic Horse Racing (HHR) machines.

At first glance, the technical words in this bill may seem harmless, but they disguise their true intention. The bill states that terminals offering the same type of wager refer to multiple machines or devices that allow patrons to place bets on historic horse races in a similar manner. This means that if a facility has HHR machines, it needs to have at least two of these terminals, each offering the same types of wagering options. This ensures that patrons have consistent betting experiences across multiple machines.

But what does this really mean for our community? It means that we are essentially allowing the proliferation of slot machine-like devices under the guise of horse racing. These HHR machines typically resemble slot machines, with spinning reels and symbols, video displays, and user interfaces that mimic those of traditional slot machines. They even include skill graphs with handicapping information, such as jockeys' and trainers' winning percentages, to help players make informed selections.

Moreover, the language on bond requirements to the Attorney General is equally concerning. The bill stipulates that a licensed service provider needs to post only one bond of \$500,000, regardless of the number of facilities they operate. This implies that if the service provider meets all other requirements, they can offer wagering on historic horse races at multiple facilities under a single bond. This loophole allows large operators to expand their reach with minimal financial accountability.

As legislators, we must ask ourselves: Are we comfortable with another proliferation of gaming in our State? Are we willing to accept the potential social and economic consequences that come with them? It is our duty to demand transparency and accountability from our lawmakers. We must ensure that bills are clearly worded and that their true intentions are not hidden behind technical language.

In conclusion, let us not be fooled by the technical words in this bill. The proliferation of HHR machines and the bond requirements pose significant risks to our communities. We must stand together and have true transparency in language for the laws of North Dakota. Only then can we protect the interests and well-being of our citizens. Lastly, I want to implore that you please look at the letter from the Spirit Lake Tribe Chairwoman Lonna Street which has uploaded.

We will not stand by while the state once again disregards tribal sovereignty and our right to economic self-determination.

The Spirit Lake Tribe hereby requests:

- ☐ Immediate consultation between tribal governments and the state regarding SB 2347 and any future gaming legislation.
- ☐ Inclusion of tribal casinos in any new gaming opportunities—if the state is going to expand gaming, tribes must be included.
- ☐ A halt to all legislative efforts to expand non-tribal gaming until full tribal consultation has taken place.

If the state moves forward with SB 2347 without addressing our concerns, the Spirit Lake Tribe and any Tribal government has a right to take legal action under IGRA to challenge this violation of our rights. We will also petition the National Indian Gaming Commission (NIGC) and the Bureau of Indian Affairs (BIA) to review whether North Dakota is acting in bad faith by attempting to bypass tribal gaming compacts.

The Spirit Lake Tribe has fought for generations to protect our sovereignty and our right to economic self-sufficiency. We will not allow North Dakota to continue expanding gaming while ignoring the very tribal nations who have historically led this industry. In recent years, the state and many tribes have been working hard to create meaningful interaction with building state and tribal relations. And we both have benefitted from positive and meaningful dialogue; we highly recommend continuing this by respecting our request for meaningful consultation.

I thank you for your time and energy today,

Lonna J. Street
Chairwoman
Spirit Lake Tribe

cc: Spirit Lake Council



SPIRIT LAKE TRIBE

P.O. BOX 359 • FORT TOTTEN, ND 58335 • PHONE 701-766-4221 • FAX 701-766-4126

February 4, 2025

Chairperson and Members of the Committee,

My name is Lonna J. Street, and I am the chairwoman of the Spirit Lake Tribe.

The Spirit Lake Tribe strongly opposes Senate Bill 2347, which seeks to authorize historic horse race wagering in North Dakota. This legislation represents yet another attempt by the state to expand gaming without consulting tribal nations, despite the legal protections afforded to us under federal law. This is a direct infringement on our sovereignty, an economic attack on our ability to provide for our people, and a continuation of the state's long-standing pattern of disregarding tribal rights in gaming policy.

The Indian Gaming Regulatory Act (IGRA) (25 U.S.C. § 2701 et seq.) was passed by Congress to ensure that tribes have exclusive rights to regulate gaming on their lands, recognizing gaming as a critical tool for economic self-sufficiency. By allowing non-tribal businesses to engage in pari-mutuel wagering on historic horse races, SB 2347 violates the intent of IGRA and undermines the Spirit Lake Tribe's ability to maintain control over gaming within our jurisdiction.

This state-sanctioned expansion of gambling was proposed without consultation with the Spirit Lake Tribe or any other tribal nations. That alone is unacceptable. Under Executive Order 13175 (Consultation and Coordination with Indian Tribal Governments), states government to engage in meaningful consultation with tribes before enacting policies that impact us. We have compacts and agreements with the state. Yet, once again, we were excluded from discussions while state leaders worked behind closed doors to pass legislation that will economically harm our people.

The Spirit Lake Casino and Resort is one of the primary economic engines for our community. Gaming revenue funds healthcare, education, elder services, and infrastructure for our people. When the state previously introduced electronic pull tab machines without consultation, it caused severe financial damage to tribal casinos, taking millions in revenue away from Native communities and redirecting it into the state's hands. SB 2347 follows the same pattern—authorizing a new form of gambling that will divert revenue away from tribal casinos and into non-tribal businesses.

This is not just about money; it is about our ability to be self-sufficient and to provide for our people. The state's continuous expansion of gaming without tribal input is a direct assault on our economic stability.

The State of North Dakota has a well-documented history of failing to engage in fair gaming negotiations with tribal nations. The introduction of pull-tab machines without tribal consultation shattered trust between the state and our nations, and now, with SB 2347, the state must not continue this pattern of disrespect and disregard for our rights.

Our gaming compact with North Dakota was negotiated under IGRA's requirement that the state act in good faith (25 U.S.C. § 2710(d)(3)(A)). If the state expands gaming opportunities for non-tribal entities while refusing to allow tribes the same opportunities, this is a clear violation of good faith negotiations.

Additionally, the bill allocates revenue from historic horse race wagering to state and local funds but excludes tribal governments entirely. This is yet another example of the state profiting from gaming while shutting tribes out of the conversation. If the state wants to expand gaming, then tribes must be included as equal partners.

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2347
2/10/2025

Relating to historic horse race wagering and pari-mutuel horse racing AND to the authorization of historic horse race wagering and the elimination of simulcast dog racing under the certificate system.

4:32 p.m. Chair Larson opened the hearing.

Members present:

Chair Larson, Vice Chairman Paulson, Senators: Castaneda, Cory, Luick, Myrdal, Braunberger.

Discussion Topics:

- Language clarification
- License fees
- Racing Commission operating fund

4:32 p.m. Chair Larson led committee in discussion on proposed language changes.

4:39 p.m. Senator Myrdal moved Amendment LC# 25.0647.02003, testimony #38373.

4:40 p.m. Senator Luick seconded.

4:40 p.m. Voice Vote - Motion Passed.

4:41 p.m. Senator Braunberger moved a Do Pass as Amended and Rerefer to Appropriations committee.

4:41 p.m. Senator Myrdal seconded the motion.

Senators	Vote
Senator Diane Larson	N
Senator Bob Paulson	Y
Senator Ryan Braunberger	Y
Senator Jose L. Castaneda	Y
Senator Claire Cory	Y
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion Passed 6-1-0.

4:42 p.m. Senator Braunberger will carry the bill.

4:42 p.m. Chair Larson closed the hearing.

Senate Judiciary Committee

SB 2347

2/10/2025

Page 2

Kendra McCann, Committee Clerk

February 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2347

Introduced by

Senators Myrdal, Sorvaag, Thomas

JB 2-10-25
108 18

1 A BILL for an Act to create and enact ~~two~~three new sections to chapter 53-06.2 of the North
2 Dakota Century Code, relating to historic horse race wagering ~~and~~ and the establishment of the racing commission fund; ~~and~~ to amend and reenact sections
3 and the establishment of the racing commission fund; ~~and~~ to amend and reenact sections
4 53-06.2-01, 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10,
5 53-06.2-10.1, and 53-06.2-11 of the North Dakota Century Code, relating to the authorization of
6 historic horse race wagering and ~~on August 1, 2027~~, the elimination of simulcast dog racing
7 under the certificate system; and to provide an effective date.

8 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

9 **SECTION 1. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **53-06.2-01. Definitions.**

12 As used in this chapter:

- 13 1. "Association" means a person licensed by the racing commission conducting
14 pari-mutuel wagering.
- 15 2. "Breeders' fund" means a fund, administered by the commission, established to
16 financially reward breeders or owners of North Dakota-bred horses to be paid in
17 accordance with rules as approved by the commission.
- 18 ~~2-3.~~ "Certificate system" means the system of betting described in section 53-06.2-10.

JB 2018

- 1 ~~3-4.~~ "Charitable organization" means a nonprofit organization operated for the relief of
2 poverty, distress, or other conditions of public concern in this state and has been so
3 engaged in this state for at least two years.
- 4 ~~4-5.~~ "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or
5 state organization that is authorized by its written constitution, charter, articles of
6 incorporation, or bylaws to engage in a civic or service purpose in this state and has
7 so existed in this state for at least two years. The term includes a similar local
8 nonprofit organization, not affiliated with a state or national organization, which is so
9 recognized by a resolution adopted by the governing body of the local jurisdiction in
10 which the organization conducts its principal activities, and which has existed in this
11 state for at least two years.
- 12 ~~5-6.~~ "Commission" means the North Dakota racing commission.
- 13 ~~6-7.~~ "Equine racing facility" means a horse racing facility that conducts at least eight live
14 horse races in a calendar year and which has a minimum racing infrastructure
15 consisting of:
- 16 a. ~~A six-furlong [1207.01 meters]~~five-furlong [1005.84 meters] dirt track for flat
17 racing;
- 18 b. Capacity for no fewer than five hundred individuals; and
- 19 c. Barns with no fewer than fifty permanent stalls.
- 20 ~~8.~~ "Executive director" means the executive director of the commission.
- 21 ~~7-9.~~ "Fraternal organization" means a nonprofit organization in this state, which is a
22 branch, lodge, or chapter of a national or state organization and exists for the common
23 business, brotherhood, or other interests of its members, and has so existed in this
24 state for two years. The term does not include a college or high school fraternity.
- 25 ~~10.~~ "Historic horse race" means any horse race that was previously conducted by a
26 licensed pari-mutuel facility, concluded with official results, and concluded without
27 scratches, disqualifications, and dead-heat finishes.
- 28 ~~8-11.~~ "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city,
29 and with respect to a site not inside the city limits of a city, the county in which the site
30 is located.

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- 1 ~~9-12.~~ "Other public-spirited organization" means a nonprofit organization recognized by the
2 governing body of the appropriate local jurisdiction by resolution as public-spirited and
3 eligible under this chapter.
- 4 ~~10-13.~~ "Pari-mutuel wagering" means a method of wagering approved by the commission in
5 which one or more patrons wager on a horse race, whether live, simulcast, or historic
6 horse race.
- 7 14. "Purse fund" means a fund, administered by the commission, established to
8 supplement and improve purses offered at racetracks within the state.
- 9 ~~11-15.~~ "Racing" means live or simulcast horse racing under the certificate system or
10 simulcast dog racing under the certificate system.
- 11 ~~12-16.~~ "Racing promotion fund" means a fund administered by the commission established to
12 assist in improving and upgrading racetracks in the state, promoting horse racing in
13 the state, and developing new racetracks in the state as necessary and approved by
14 the commission.
- 15 ~~13-17.~~ "Religious organization" means a nonprofit organization, church, body of
16 communicants, or group gathered in common membership for mutual support and
17 edification in piety, worship, and religious observances, and which has been so
18 gathered or united in this state for at least two years.
- 19 ~~14-18.~~ "Veterans' organization" means a congressionally chartered organization in this state,
20 or a branch, lodge, or chapter of a nonprofit national or state organization in this state,
21 the membership of which consists of individuals who were members of the armed
22 services or forces of the United States, and which has so been in existence in this
23 state for at least two years.

24 **SECTION 2. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **53-06.2-01. Definitions.**

27 As used in this chapter:

- 28 1. "Association" means a person licensed by the racing commission conducting
29 pari-mutuel wagering.

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2. "Breeders' fund" means a fund, administered by the commission, established to financially reward breeders or owners of North Dakota-bred horses to be paid in accordance with rules as approved by the commission.
3. "Certificate system" means the system of betting described in section 53-06.2-10.
4. "Charitable organization" means a nonprofit organization operated for the relief of poverty, distress, or other conditions of public concern in this state and has been so engaged in this state for at least two years.
5. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or state organization that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose in this state and has so existed in this state for at least two years. The term includes a similar local nonprofit organization, not affiliated with a state or national organization, which is so recognized by a resolution adopted by the governing body of the local jurisdiction in which the organization conducts its principal activities, and which has existed in this state for at least two years.
6. "Commission" means the North Dakota racing commission.
7. "Equine racing facility" means a horse racing facility that conducts at least eight live horse races in a calendar year and which has a minimum racing infrastructure consisting of:
 - a. A five-furlong [1005.84 meters] dirt track for flat racing;
 - b. Capacity for no fewer than five hundred individuals; and
 - c. Barns with no fewer than fifty permanent stalls.
8. "Executive director" means the executive director of the commission.
9. "Fraternal organization" means a nonprofit organization in this state, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members, and has so existed in this state for two years. The term does not include a college or high school fraternity.
10. "Historic horse race" means any horse race that was previously conducted by a licensed pari-mutuel facility, concluded with official results, and concluded without scratches, disqualifications, and dead-heat finishes.

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11. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city, and with respect to a site not inside the city limits of a city, the county in which the site is located.
12. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of the appropriate local jurisdiction by resolution as public-spirited and eligible under this chapter.
13. "Pari-mutuel wagering" means a method of wagering approved by the commission in which one or more patrons wager on a horse race, whether live, simulcast, or historic horse race.
14. "Purse fund" means a fund, administered by the commission, established to supplement and improve purses offered at racetracks within the state.
15. "Racing" means live or simulcast horse racing under the certificate system ~~or simulcast dog racing under the certificate system.~~
16. "Racing promotion fund" means a fund administered by the commission established to assist in improving and upgrading racetracks in the state, promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.
17. "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances, and which has been so gathered or united in this state for at least two years.
18. "Veterans' organization" means a congressionally chartered organization in this state, or a branch, lodge, or chapter of a nonprofit national or state organization in this state, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has so been in existence in this state for at least two years.

SECTION 3. AMENDMENT. Section 53-06.2-04 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-04. Duties of commission.

The commission shall:

1. Provide for racing and wagering under the certificate system.

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2. Set racing dates.
3. Adopt rules for effectively preventing the use of any substance, compound items, or combinations of any medicine, narcotic, stimulant, depressant, or anesthetic which could alter the normal performance of a racehorse, unless specifically authorized by the commission.
4. Supervise and check the making of pari-mutuel pools, pari-mutuel machines, and equipment at all races held for wagering under the certificate system.
5. Adopt rules governing, restricting, or regulating bids on licensees' concessions and leases on equipment and governing historic horse racing.
6. Consider all proposed extensions, additions, or improvements to the buildings, stables, or tracks on property owned or leased by a licensee.
7. Exclude from racetracks or simulcast pari-mutuel wagering facilities any ~~person~~individual who violates any rule of the commission or any law.
8. Determine the cost of inspections performed under subsection 3 of section 53-06.2-05 and require the licensee to pay that cost.
9. Report biennially to the legislative council regarding the operation of the commission.
10. Provide notice to the North Dakota horsemen's council of meetings held by the commission and permit the North Dakota horsemen's council to participate in the meetings through placement of items on the agenda.
11. Complete, distribute, and post on the commission's website the minutes of each commission meeting within thirty days of that meeting or before the next meeting of the commission, whichever occurs first.

SECTION 4. AMENDMENT. Section 53-06.2-05 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-05. Powers of commission.

The commission may:

1. Compel the production of all documents showing the receipts and disbursements of any licensee and determine the manner in which such financial records are to be kept.
2. Investigate the operations of any licensee and enter any vehicle or place of business, residence, storage, or racing of any licensee on the grounds of a licensed association to determine whether there has been compliance with the provisions of this chapter

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- 1 and rules adopted under this chapter, and to discover and seize any evidence of
2 noncompliance.
- 3 3. Request appropriate state officials to perform inspections necessary for the health and
4 safety of spectators, employees, participants, and horses that are lawfully on a
5 racetrack.
- 6 4. License all participants in the racing ~~and~~ simulcast, advance deposit wagering, and
7 historic horse race pari-mutuel wagering industry and require and obtain information
8 the commission deems necessary from license applicants. Licensure of service
9 providers, totalizator companies, site operators, and ~~organizations~~ entities applying to
10 conduct or conducting pari-mutuel wagering must be approved by the attorney
11 general. The attorney general may not grant a license denied by the commission. The
12 commission may obtain a statewide and nationwide criminal history record check from
13 the bureau of criminal investigation for the purpose of determining suitability or fitness
14 for a license. The nationwide check must be conducted in the manner provided in
15 section 12-60-24. All costs associated with obtaining a background check are the
16 responsibility of the applicant for a license.
- 17 5. Receive moneys from the North Dakota horse racing foundation for deposit in the
18 purse fund, breeders' fund, or racing promotion fund in accordance with subsection 6
19 of section 53-06.2-11.
- 20 6. Adopt additional rules for the administration, implementation, and regulation of
21 activities conducted pursuant to this chapter. The commission shall deposit any fees
22 collected under authority of this subsection in the racing commission operating fund.
23 Subject to legislative appropriation, the commission may spend the fees for operating
24 costs of the commission.

25 **SECTION 5. AMENDMENT.** Section 53-06.2-06 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **53-06.2-06. Organizations eligible to conduct racing and simulcast assist in**
28 **conducting pari-mutuel wagering.**

29 ~~Civic and service clubs; charitable, fraternal, religious, and veterans' organizations; and~~
30 ~~other public spirited~~

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- 1 1. Public-spirited organizations the primary purpose of which is for equine education,
2 community recreation, and economic development may be licensed to ~~conduct racing~~
3 ~~and simulcast~~ assist in conducting pari-mutuel wagering as authorized by this chapter.
- 4 2. The following types of organizations may be licensed to conduct simulcast pari-mutuel
5 wagering under this chapter:
 - 6 a. Civic and service clubs;
 - 7 b. Charitable, fraternal, religious, and veterans' organizations; and
 - 8 c. Other public-spirited organizations.

9 **SECTION 6. AMENDMENT.** Section 53-06.2-07 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **53-06.2-07. Issuance of racing licenses - Applications.**

- 12 1. On compliance by an applicant with this chapter and the approval of the attorney
13 general, the commission may issue a license to conduct races. ~~The attorney general~~
14 ~~may not grant a license denied by the commission.~~
- 15 2. An application for a license to conduct a racing meet must be signed under oath and
16 filed with the commission. The application must contain at least the following:
 - 17 a. The name and post-office address of the applicant.
 - 18 b. The location of the racetrack and whether it is owned or leased. If the racetrack is
19 leased, a copy of the lease must be included.
 - 20 c. A statement of the applicant's previous history and association sufficient to
21 establish that the applicant is an eligible organization.
 - 22 d. The time, place, and number of days the racing meet is proposed to be
23 conducted.
 - 24 e. ~~The type of racing to be conducted.~~
 - 25 f. Other information the commission requires.
- 26 3. At least thirty days before the commission issues or renews a license to conduct
27 races, the applicant shall deliver a complete copy of the application to the local
28 jurisdiction governing body. The application to the commission must include a
29 certificate verified by a representative of the applicant, indicating delivery of the
30 application copy to the governing body. If the governing body of the local jurisdiction
31 adopts a resolution disapproving the application for license or renewal and so informs

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the executive director within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

~~4. A licensee, including a totalizator provider or service provider, may not offer bets or wagers on dog races.~~

SECTION 7. AMENDMENT. Section 53-06.2-07 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-07. Issuance of racing licenses - Applications.

1. On compliance by an applicant with this chapter and the approval of the attorney general, the commission may issue a license to conduct races. The attorney general may not grant a license denied by the commission.
2. An application for a license to conduct a racing meet must be signed under oath and filed with the commission. The application must contain at least the following:
 - a. The name and post-office address of the applicant.
 - b. The location of the racetrack and whether it is owned or leased. If the racetrack is leased, a copy of the lease must be included.
 - c. A statement of the applicant's previous history and association sufficient to establish that the applicant is an eligible organization.
 - d. The time, place, and number of days the racing meet is proposed to be conducted.
 - e. Other information the commission requires.
3. At least thirty days before the commission issues or renews a license to conduct races, the applicant shall deliver a complete copy of the application to the local jurisdiction governing body. The application to the commission must include a certificate verified by a representative of the applicant, indicating delivery of the application copy to the governing body. If the governing body of the local jurisdiction adopts a resolution disapproving the application for license or renewal and so informs the executive director within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

4. A licensee, including a totalizator provider or service provider, may not offer bets or wagers on dog races.

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SECTION 8. AMENDMENT. Section 53-06.2-08 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-08. License authorization and fees.

1. Each license issued under the certificate system must describe the place, track, or racecourse at which the licensee may hold races. Every license must specify the number of days the licensed races may continue, the hours during which racing may be conducted, and the number of races that may be held each day. Races authorized under this chapter may be held during the hours approved by the commission and within the hours permitted by state law.

2. Wagering on historic horse races may be conducted ~~on~~:

a. At only one equine racing facility in the state.

b. On any day, regardless of whether live racing or simulcasting is taking place.

2.3. The commission may charge a license fee for racing commensurate with the size and attendance of the race meet.

3.4. Each applicant for a license under this chapter shall give bond or a letter of credit payable to this state with good security as approved by the commission. The bond or letter of credit must be in the amount the commission determines will adequately protect the amount normally due and owing to this state in a regular payment period or, in the case of new or altered conditions, based on the projected revenues.

4.5. The commission may grant licenses to horse owners, jockeys, riders, agents, trainers, grooms, stable foremen, exercise workers, veterinarians, valets, concessionaires, service providers, employees of racing associations, and such other persons as determined by the commission. Licensure of service providers, totalizator companies, site operators, and organizations applying to conduct or conducting pari-mutuel wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission. License fees are as established by the commission.

5.6. The commission may establish the ~~period of time~~ term for which licenses issued under this chapter are valid.

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1 | ~~6.7.~~ The commission shall deposit all fees collected under this section in the racing
2 | commission operating fund. Subject to legislative appropriation, the commission may
3 | spend the fees for operating costs of the commission.

4 | **SECTION 9. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
5 | amended and reenacted as follows:

6 | **53-06.2-10. Certificate system - Rules.**

7 | The certificate system allows a licensee to receive money from any person ~~present at~~ a
8 | live, simulcast, or historic horse or dog race, ~~simulcast horse race, or simulcast dog race who~~
9 | ~~desires to bet on any entry in that race.~~ A person betting on an entry to win acquires an interest
10 | in the total money bet on all entries in the race, in proportion to the amount of money bet by that
11 | person, under rules adopted by the commission. The licensee shall receive the bets and for
12 | each bet on a live or simulcast horse race shall issue a certificate to the bettor on which is at
13 | least shown the number of the race, the amount bet, and the number or name of the entry
14 | selected by the bettor. A certificate may not be issued for a wager on a historic horse race. The
15 | commission may adopt rules for place, show, quinella, combination, or other types of ~~betting~~
16 | ~~usually connected with racing~~ pari-mutuel wagering.

17 | **SECTION 10. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
18 | amended and reenacted as follows:

19 | **53-06.2-10. Certificate system - Rules.**

20 | The certificate system allows a licensee to receive money from any person on a live,
21 | simulcast, or historic horse ~~or dog~~ race. A person betting on an entry to win acquires an interest
22 | in the total money bet on all entries in the race, in proportion to the amount of money bet by that
23 | person, under rules adopted by the commission. The licensee shall receive the bets and for
24 | each bet on a live or simulcast horse race shall issue a certificate to the bettor on which is at
25 | least shown the number of the race, the amount bet, and the number or name of the entry
26 | selected by the bettor. A certificate may not be issued for a wager on a historic horse race. The
27 | commission may adopt rules for place, show, quinella, combination, or other types of
28 | pari-mutuel wagering.

29 | **SECTION 11. AMENDMENT.** Section 53-06.2-10.1 of the North Dakota Century Code is
30 | amended and reenacted as follows:

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53-06.2-10.1. Simulcast wagering.

1. As used in this section, "account wagering" 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.
2. In addition to racing under the certificate system, as authorized by this chapter, and conducted upon the premises of a racetrack, simulcast pari-mutuel and account wagering may be conducted in accordance with this chapter or rules adopted by the commission under this chapter in accordance with chapter 28-32.
3. Any organization qualified under section 53-06.2-06 to conduct racing may ~~make written application~~ apply to the commission for the conduct of simulcast pari-mutuel and account wagering on races held at licensed racetracks inside the state or racetracks outside the state, or both.
4. Licensure of service providers, totalizator companies, site operators, or organizations applying to conduct or conducting simulcast or account wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission.
5. Notwithstanding any other provision of this chapter, the commission may authorize any licensee to participate in interstate or international combined wagering pools with one or more other racing jurisdictions. ~~Anytime that~~

 - a. If a licensee participates in an interstate or international combined pool, the licensee, as prescribed by the commission, may adopt the take-out of the host jurisdiction or facility.
 - b. The commission may permit a licensee to use one or more of its races or simulcast programs for an interstate or international combined wagering pool at locations outside its jurisdiction and may allow pari-mutuel pools in other states to be combined with pari-mutuel pools in its jurisdiction for the purpose of establishing an interstate or international combined wagering pool.
 - c. The participation by a licensee in a combined interstate or international wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction in which the licensee is physically located.

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1 d. Pari-mutuel taxes or commissions may not be imposed on any amounts wagered
2 in an interstate or international combined wagering pool other than amounts
3 wagered within this jurisdiction.

4 e. Breakage for interstate or international combined wagering pools must be
5 calculated in accordance with the statutes or rules of the host jurisdiction and
6 must be distributed among the participating jurisdictions in a manner agreed to
7 among the jurisdictions.

8 6. The certificate system also permits pari-mutuel wagering to be conducted through
9 account wagering. ~~As used in this section, "account wagering" means a form of~~
10 ~~pari-mutuel wagering in which an individual deposits money in an account and uses~~
11 ~~the account balance to pay for pari-mutuel wagers. An account wager made on an~~
12 account established in this state may only be made only through the licensed
13 simulcast service provider approved by the attorney general and authorized by the
14 commission to operate the simulcast pari-mutuel wagering system under the certificate
15 system. The attorney general may not grant a license denied by the commission. An
16 account wager may be made in person, by direct telephone communication, or
17 through other electronic communication in accordance with rules adopted by the
18 commission. ~~Breakage for interstate or international combined wagering pools must be~~
19 ~~calculated in accordance with the statutes or rules of the host jurisdiction and must be~~
20 ~~distributed among the participating jurisdictions in a manner agreed to among the~~
21 ~~jurisdictions.~~

22 **SECTION 12.** A new section to chapter 53-06.2 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Historic horse race wagering.**

25 1. In accordance with pari-mutuel wagering under the certificate system, and if
26 conducted at an equine racing facility, pari-mutuel wagering on historic horse races
27 may be conducted in accordance with this chapter or rules adopted by the
28 commission. Any equine racing facility under this chapter may offer wagering on
29 historic horse races on electronic devices if:

30 a. Wagering is conducted within an equine racing facility, using the pari-mutuel
31 method of wagering;

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- 1 b. A licensee maintains no fewer than two terminals offering the same type of wager
- 2 on historic horse races;
- 3 c. The terminal used for conducting a historic horse race:
- 4 (1) Provides true and accurate past performance information on each historic
- 5 horse race before a patron makes selections;
- 6 (2) Displays the official results of each race;
- 7 (3) Has been tested by an independent testing laboratory to ensure integrity
- 8 and proper working order; and
- 9 (4) Displays pool amounts that patron will receive for a winning wager; and
- 10 d. The identity of each race is revealed to the patron after the patron has placed a
- 11 wager.
- 12 2. The terminal used for conducting a historic horse race may display a photographic
- 13 recording or digital simulation or recreation of a portion of the race.
- 14 3. Notwithstanding any other provision of this chapter, in addition to any bond provided to
- 15 the attorney general as security for other licensed activity pursuant to section
- 16 53-06.2-08, each licensed service provider approved by the commission to offer
- 17 wagering on historic horse races shall post a bond of five hundred thousand dollars
- 18 payable to the state. A licensed service provider posting a bond under this section is
- 19 not required to post more than one bond in the amount of five hundred thousand
- 20 dollars, regardless of the number of simulcast facilities at which it offers wagers on
- 21 historic horse races.

22 **SECTION 13.** A new section to chapter 53-06.2 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Pari-mutuel horse wagering.**

25 For pari-mutuel horse wagering:

- 26 1. Wagers must be placed in one or more wagering pools.
- 27 2. Wagers on different races or sets of races may be pooled together.
- 28 3. Patrons may establish odds or payouts.
- 29 4. Winning patrons share in amounts wagered, including carryover amounts plus
- 30 amounts provided by an association less any deductions required, as approved by the
- 31 commission.

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5. Pools may be paid out incrementally as approved by the commission.

SECTION 14. A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

Racing commission operating fund.

There is created in the state treasury the racing commission operating fund. The fund consists of all racing taxes, monetary fines, and interest and penalties collected under this chapter.

SECTION 15. AMENDMENT. Section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses - Payment to general fund.

1. For wagering on live horse racing:

a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Of the amount wagered, the licensee shall pay:

(1) One-half of one percent to the state treasurer to be deposited in the ~~general~~ racing commission operating fund.

(2) One-half of one percent to the commission to be deposited in the breeders' fund.

(3) One-half of one percent to the commission to be deposited in the purse fund.

(4) One-half of one percent to the commission to be deposited in the racing promotion fund.

b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty-five percent of the amount wagered. Of the amount wagered, the licensee shall pay:

(1) One-half of one percent to the state treasurer to be deposited in the ~~general~~ racing commission operating fund.

(2) One-half of one percent to the commission to be deposited in the breeders' fund.

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1 (3) One-half of one percent to the commission to be deposited in the purse
2 fund.

3 (4) One-half of one percent to the commission to be deposited in the racing
4 promotion fund.

5 2. For simulcast and account wagering:

6 a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than
7 twenty percent of the amount wagered. Except as limited in subdivision c, of the
8 amount wagered by simulcast and account wagering in win, place, and show
9 pari-mutuel pools, the licensee shall pay:

10 (1) One-sixteenth of one percent to the state treasurer to be deposited in the
11 general racing commission operating fund.

12 (2) One-sixteenth of one percent to the commission to be deposited in the
13 breeders' fund.

14 (3) One-sixteenth of one percent to the commission to be deposited in the
15 purse fund.

16 (4) One-sixteenth of one percent to the commission to be deposited in the
17 racing promotion fund.

18 b. Except as limited in subdivision c, of the amount wagered by simulcast and
19 account wagering in daily double, quinella, exacta, trifecta, or other combination
20 pari-mutuel pools, the licensee shall pay:

21 (1) One-sixteenth of one percent to the state treasurer to be deposited in the
22 general fund.

23 (2) One-sixteenth of one percent to the commission to be deposited in the
24 breeders' fund.

25 (3) One-sixteenth of one percent to the commission to be deposited in the
26 purse fund.

27 (4) One-sixteenth of one percent to the commission to be deposited in the
28 racing promotion fund.

29 c. ~~For the fiscal year commencing July 1, 2013, the licensee may not pay more than~~
30 ~~four hundred thousand dollars. For the fiscal year commencing July 1, 2014, and~~

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1 ~~thereafter, the~~The licensee may not pay more than four hundred twenty thousand
2 dollars.

3 3. For historic horse race wagering, the licensee may deduct no more than twenty-five
4 percent of the amount wagered. Of the amount wagered, the licensee shall pay:

5 a. One-fourth of one percent to the state treasurer to be deposited in the
6 general racing commission operating fund.

7 b. One-sixth of one percent to be deposited in the breeder's fund.

8 c. One-sixth of one percent to be deposited in the purse fund.

9 d. One-sixth of one percent to be deposited in the racing promotion fund.

10 e. One-fourth of one percent to be deposited in the ~~treasury of the county in which~~
11 ~~wagering on historic horse racing takes place~~ gambling disorder prevention and
12 treatment fund.

13 f. One-fourth of one percent to be deposited in the treasury of the city in which
14 wagering on historic horse racing takes place.

15 4. All moneys in the racing commission operating fund, in excess of those appropriated
16 by the legislative assembly for administrative and operating costs associated with the
17 racing commission, must be transferred to the general fund.

18 5. For all pari-mutuel wagering the licensee shall pay to the commission the amount due
19 for all unclaimed tickets and all breakage on the first twenty million dollars wagered in
20 each fiscal year with each service provider. The amount received must be deposited in
21 the racing promotion fund.

22 4.5.6. The licensee conducting wagering on live racing, simulcast horse racing wagering,
23 historic horse racing, or account wagering shall retain all other money in the
24 pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules
25 adopted by the commission.

26 5.6.7. A licensee may not use any of the portion deducted for expenses under subsections 1
27 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel
28 racingwagering under the certificate system. ~~After paying qualifying expenses, the~~
29 ~~licensee shall use the remainder of the amount so withheld only for eligible uses~~
30 ~~allowed to charitable gambling organizations under section 53-06.1-11.1.~~

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1 ~~6.7.8.~~ The commission shall deposit the moneys received pursuant to subsections 1, 2, and
2 3, and ~~45~~ and from the North Dakota horse racing foundation pursuant to subsection 5
3 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion
4 fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and
5 racing promotion fund are appropriated to the commission on a continuing basis to
6 carry out the purposes of those funds under this chapter and must be administered
7 and disbursed in accordance with rules adopted by the commission. The commission
8 may not transfer money among the funds. The commission shall distribute in-state
9 awards and payment supplements from the breeders' fund in the same calendar year
10 the money was earned by the recipient. The commission shall distribute out-of-state
11 awards and payment supplements from the breeders' fund, if made available by the
12 commission, within two months of the end of the calendar year the money was earned
13 by the recipient. The commission shall distribute payments awarded to qualified
14 owners and breeders from the breeders' fund without requiring owners and breeders
15 to apply for the payments. ~~The commission may receive twenty-five thousand dollars~~
16 ~~per year or twenty-five percent per year, whichever is greater, from the racing~~
17 ~~promotion fund for the payment of the commission's operating expenses.~~

18 **SECTION 16. EFFECTIVE DATE.** Sections 2, 7, and 10 of this Act are effective on
19 August 1, 2027.

**REPORT OF STANDING COMMITTEE
SB 2347**

Judiciary Committee (Sen. Larson, Chairman) recommends **AMENDMENTS** ([25.0647.02003](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2347 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0647.02003
Title.03000

Adopted by the Judiciary Committee

February 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2347

Introduced by

Senators Myrdal, Sorvaag, Thomas

1 A BILL for an Act to create and enact ~~two~~three new sections to chapter 53-06.2 of the North
2 Dakota Century Code, relating to historic horse race wagering ~~and~~, pari-mutuel horse racing,
3 and the establishment of the racing commission fund; ~~and~~ to amend and reenact sections
4 53-06.2-01, 53-06.2-04, 53-06.2-05, 53-06.2-06, 53-06.2-07, 53-06.2-08, 53-06.2-10,
5 53-06.2-10.1, and 53-06.2-11 of the North Dakota Century Code, relating to the authorization of
6 historic horse race wagering and ~~on August 1, 2027~~, the elimination of simulcast dog racing
7 under the certificate system; and to provide an effective date.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 **SECTION 1. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **53-06.2-01. Definitions.**

12 As used in this chapter:

- 13 1. "Association" means a person licensed by the racing commission conducting
14 pari-mutuel wagering.
- 15 2. "Breeders' fund" means a fund, administered by the commission, established to
16 financially reward breeders or owners of North Dakota-bred horses to be paid in
17 accordance with rules as approved by the commission.
- 18 2-3. "Certificate system" means the system of betting described in section 53-06.2-10.

1 ~~3.4.~~ "Charitable organization" means a nonprofit organization operated for the relief of
2 poverty, distress, or other conditions of public concern in this state and has been so
3 engaged in this state for at least two years.

4 ~~4.5.~~ "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or
5 state organization that is authorized by its written constitution, charter, articles of
6 incorporation, or bylaws to engage in a civic or service purpose in this state and has
7 so existed in this state for at least two years. The term includes a similar local
8 nonprofit organization, not affiliated with a state or national organization, which is so
9 recognized by a resolution adopted by the governing body of the local jurisdiction in
10 which the organization conducts its principal activities, and which has existed in this
11 state for at least two years.

12 ~~5.6.~~ "Commission" means the North Dakota racing commission.

13 ~~6.7.~~ "Equine racing facility" means a horse racing facility that conducts at least eight live
14 horse races in a calendar year and which has a minimum racing infrastructure
15 consisting of:

16 a. A ~~six-furlong [1207.01 meters]~~ ~~five-furlong [1005.84 meters]~~ dirt track for flat
17 racing;

18 b. Capacity for no fewer than five hundred individuals; and

19 c. Barns with no fewer than fifty permanent stalls.

20 ~~8.~~ "Executive director" means the executive director of the commission.

21 ~~7.9.~~ "Fraternal organization" means a nonprofit organization in this state, which is a
22 branch, lodge, or chapter of a national or state organization and exists for the common
23 business, brotherhood, or other interests of its members, and has so existed in this
24 state for two years. The term does not include a college or high school fraternity.

25 ~~10.~~ "Historic horse race" means any horse race that was previously conducted by a
26 licensed pari-mutuel facility, concluded with official results, and concluded without
27 scratches, disqualifications, and dead-heat finishes.

28 ~~8.11.~~ "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city,
29 and with respect to a site not inside the city limits of a city, the county in which the site
30 is located.

1 9-12. "Other public-spirited organization" means a nonprofit organization recognized by the
2 governing body of the appropriate local jurisdiction by resolution as public-spirited and
3 eligible under this chapter.

4 40-13. "Pari-mutuel wagering" means a method of wagering approved by the commission in
5 which one or more patrons wager on a horse race, whether live, simulcast, or historic
6 horse race.

7 14. "Purse fund" means a fund, administered by the commission, established to
8 supplement and improve purses offered at racetracks within the state.

9 44-15. "Racing" means live or simulcast horse racing under the certificate system ~~or~~
10 simulcast dog racing under the certificate system.

11 42-16. "Racing promotion fund" means a fund administered by the commission established to
12 assist in improving and upgrading racetracks in the state, promoting horse racing in
13 the state, and developing new racetracks in the state as necessary and approved by
14 the commission.

15 43-17. "Religious organization" means a nonprofit organization, church, body of
16 communicants, or group gathered in common membership for mutual support and
17 edification in piety, worship, and religious observances, and which has been so
18 gathered or united in this state for at least two years.

19 44-18. "Veterans' organization" means a congressionally chartered organization in this state,
20 or a branch, lodge, or chapter of a nonprofit national or state organization in this state,
21 the membership of which consists of individuals who were members of the armed
22 services or forces of the United States, and which has so been in existence in this
23 state for at least two years.

24 **SECTION 2. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **53-06.2-01. Definitions.**

27 As used in this chapter:

- 28 1. "Association" means a person licensed by the racing commission conducting
29 pari-mutuel wagering.

2. "Breeders' fund" means a fund, administered by the commission, established to financially reward breeders or owners of North Dakota-bred horses to be paid in accordance with rules as approved by the commission.
3. "Certificate system" means the system of betting described in section 53-06.2-10.
4. "Charitable organization" means a nonprofit organization operated for the relief of poverty, distress, or other conditions of public concern in this state and has been so engaged in this state for at least two years.
5. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or state organization that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose in this state and has so existed in this state for at least two years. The term includes a similar local nonprofit organization, not affiliated with a state or national organization, which is so recognized by a resolution adopted by the governing body of the local jurisdiction in which the organization conducts its principal activities, and which has existed in this state for at least two years.
6. "Commission" means the North Dakota racing commission.
7. "Equine racing facility" means a horse racing facility that conducts at least eight live horse races in a calendar year and which has a minimum racing infrastructure consisting of:
 - a. A five-furlong [1005.84 meters] dirt track for flat racing;
 - b. Capacity for no fewer than five hundred individuals; and
 - c. Barns with no fewer than fifty permanent stalls.
8. "Executive director" means the executive director of the commission.
9. "Fraternal organization" means a nonprofit organization in this state, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members, and has so existed in this state for two years. The term does not include a college or high school fraternity.
10. "Historic horse race" means any horse race that was previously conducted by a licensed pari-mutuel facility, concluded with official results, and concluded without scratches, disqualifications, and dead-heat finishes.

11. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city, and with respect to a site not inside the city limits of a city, the county in which the site is located.
12. "Other public-spirited organization" means a nonprofit organization recognized by the governing body of the appropriate local jurisdiction by resolution as public-spirited and eligible under this chapter.
13. "Pari-mutuel wagering" means a method of wagering approved by the commission in which one or more patrons wager on a horse race, whether live, simulcast, or historic horse race.
14. "Purse fund" means a fund, administered by the commission, established to supplement and improve purses offered at racetracks within the state.
15. "Racing" means live or simulcast horse racing under the certificate system ~~or simulcast dog racing under the certificate system.~~
16. "Racing promotion fund" means a fund administered by the commission established to assist in improving and upgrading racetracks in the state, promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.
17. "Religious organization" means a nonprofit organization, church, body of communicants, or group gathered in common membership for mutual support and edification in piety, worship, and religious observances, and which has been so gathered or united in this state for at least two years.
18. "Veterans' organization" means a congressionally chartered organization in this state, or a branch, lodge, or chapter of a nonprofit national or state organization in this state, the membership of which consists of individuals who were members of the armed services or forces of the United States, and which has so been in existence in this state for at least two years.

SECTION 3. AMENDMENT. Section 53-06.2-04 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-04. Duties of commission.

The commission shall:

1. Provide for racing and wagering under the certificate system.

- 1 2. Set racing dates.
- 2 3. Adopt rules for effectively preventing the use of any substance, compound items, or
- 3 combinations of any medicine, narcotic, stimulant, depressant, or anesthetic which
- 4 could alter the normal performance of a racehorse, unless specifically authorized by
- 5 the commission.
- 6 4. Supervise and check the making of pari-mutuel pools, pari-mutuel machines, and
- 7 equipment at all races held for wagering under the certificate system.
- 8 5. Adopt rules governing, restricting, or regulating bids on licensees' concessions and
- 9 leases on equipment and governing historic horse racing.
- 10 6. Consider all proposed extensions, additions, or improvements to the buildings,
- 11 stables, or tracks on property owned or leased by a licensee.
- 12 7. Exclude from racetracks or simulcast pari-mutuel wagering facilities any
- 13 ~~person~~individual who violates any rule of the commission or any law.
- 14 8. Determine the cost of inspections performed under subsection 3 of section 53-06.2-05
- 15 and require the licensee to pay that cost.
- 16 9. Report biennially to the legislative council regarding the operation of the commission.
- 17 10. Provide notice to the North Dakota horsemen's council of meetings held by the
- 18 commission and permit the North Dakota horsemen's council to participate in the
- 19 meetings through placement of items on the agenda.
- 20 11. Complete, distribute, and post on the commission's website the minutes of each
- 21 commission meeting within thirty days of that meeting or before the next meeting of
- 22 the commission, whichever occurs first.

23 **SECTION 4. AMENDMENT.** Section 53-06.2-05 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **53-06.2-05. Powers of commission.**

26 The commission may:

- 27 1. Compel the production of all documents showing the receipts and disbursements of
- 28 any licensee and determine the manner in which such financial records are to be kept.
- 29 2. Investigate the operations of any licensee and enter any vehicle or place of business,
- 30 residence, storage, or racing of any licensee on the grounds of a licensed association
- 31 to determine whether there has been compliance with the provisions of this chapter

1 and rules adopted under this chapter, and to discover and seize any evidence of
2 noncompliance.

3 3. Request appropriate state officials to perform inspections necessary for the health and
4 safety of spectators, employees, participants, and horses that are lawfully on a
5 racetrack.

6 4. License all participants in the racing ~~and~~, simulcast, advance deposit wagering, and
7 historic horse race pari-mutuel wagering industry and require and obtain information
8 the commission deems necessary from license applicants. Licensure of service
9 providers, totalizator companies, site operators, and ~~organizations~~ entities applying to
10 conduct or conducting pari-mutuel wagering must be approved by the attorney
11 general. The attorney general may not grant a license denied by the commission. The
12 commission may obtain a statewide and nationwide criminal history record check from
13 the bureau of criminal investigation for the purpose of determining suitability or fitness
14 for a license. The nationwide check must be conducted in the manner provided in
15 section 12-60-24. All costs associated with obtaining a background check are the
16 responsibility of the applicant for a license.

17 5. Receive moneys from the North Dakota horse racing foundation for deposit in the
18 purse fund, breeders' fund, or racing promotion fund in accordance with subsection 6
19 of section 53-06.2-11.

20 6. Adopt additional rules for the administration, implementation, and regulation of
21 activities conducted pursuant to this chapter. The commission shall deposit any fees
22 collected under authority of this subsection in the racing commission operating fund.
23 Subject to legislative appropriation, the commission may spend the fees for operating
24 costs of the commission.

25 **SECTION 5. AMENDMENT.** Section 53-06.2-06 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **53-06.2-06. Organizations eligible to conduct racing and ~~simuleast~~ assist in**
28 **conducting pari-mutuel wagering.**

29 ~~Civic and service clubs; charitable, fraternal, religious, and veterans' organizations; and~~
30 ~~other public-spirited~~

- 1 1. Public-spirited organizations the primary purpose of which is for equine education,
2 community recreation, and economic development may be licensed to ~~conduct racing~~
3 ~~and simulcast~~ assist in conducting pari-mutuel wagering as authorized by this chapter.
- 4 2. The following types of organizations may be licensed to conduct simulcast pari-mutuel
5 wagering under this chapter:
 - 6 a. Civic and service clubs;
 - 7 b. Charitable, fraternal, religious, and veterans' organizations; and
 - 8 c. Other public-spirited organizations.

9 **SECTION 6. AMENDMENT.** Section 53-06.2-07 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **53-06.2-07. Issuance of racing licenses - Applications.**

- 12 1. On compliance by an applicant with this chapter and the approval of the attorney
13 general, the commission may issue a license to conduct races. ~~The attorney general~~
14 ~~may not grant a license denied by the commission.~~
- 15 2. An application for a license to conduct a racing meet must be signed under oath and
16 filed with the commission. The application must contain at least the following:
 - 17 a. The name and post-office address of the applicant.
 - 18 b. The location of the racetrack and whether it is owned or leased. If the racetrack is
19 leased, a copy of the lease must be included.
 - 20 c. A statement of the applicant's previous history and association sufficient to
21 establish that the applicant is an eligible organization.
 - 22 d. The time, place, and number of days the racing meet is proposed to be
23 conducted.
 - 24 e. ~~The type of racing to be conducted.~~
 - 25 f. Other information the commission requires.
- 26 3. At least thirty days before the commission issues or renews a license to conduct
27 races, the applicant shall deliver a complete copy of the application to the local
28 jurisdiction governing body. The application to the commission must include a
29 certificate verified by a representative of the applicant, indicating delivery of the
30 application copy to the governing body. If the governing body of the local jurisdiction
31 adopts a resolution disapproving the application for license or renewal and so informs

the executive director within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

~~4. A licensee, including a totalizator provider or service provider, may not offer bets or wagers on dog races.~~

SECTION 7. AMENDMENT. Section 53-06.2-07 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-07. Issuance of racing licenses - Applications.

1. On compliance by an applicant with this chapter and the approval of the attorney general, the commission may issue a license to conduct races. The attorney general may not grant a license denied by the commission.
2. An application for a license to conduct a racing meet must be signed under oath and filed with the commission. The application must contain at least the following:
 - a. The name and post-office address of the applicant.
 - b. The location of the racetrack and whether it is owned or leased. If the racetrack is leased, a copy of the lease must be included.
 - c. A statement of the applicant's previous history and association sufficient to establish that the applicant is an eligible organization.
 - d. The time, place, and number of days the racing meet is proposed to be conducted.
 - e. Other information the commission requires.
3. At least thirty days before the commission issues or renews a license to conduct races, the applicant shall deliver a complete copy of the application to the local jurisdiction governing body. The application to the commission must include a certificate verified by a representative of the applicant, indicating delivery of the application copy to the governing body. If the governing body of the local jurisdiction adopts a resolution disapproving the application for license or renewal and so informs the executive director within thirty days of receiving a copy of the application, the license to conduct races may not be issued or renewed.

4. A licensee, including a totalizator provider or service provider, may not offer bets or wagers on dog races.

SECTION 8. AMENDMENT. Section 53-06.2-08 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-08. License authorization and fees.

1. Each license issued under the certificate system must describe the place, track, or racecourse at which the licensee may hold races. Every license must specify the number of days the licensed races may continue, the hours during which racing may be conducted, and the number of races that may be held each day. Races authorized under this chapter may be held during the hours approved by the commission and within the hours permitted by state law.

2. Wagering on historic horse races may be conducted ~~on~~:

a. At only one equine racing facility in the state.

b. On any day, regardless of whether live racing or simulcasting is taking place.

~~2.3.~~ The commission may charge a license fee for racing commensurate with the size and attendance of the race meet.

~~3.4.~~ Each applicant for a license under this chapter shall give bond or a letter of credit payable to this state with good security as approved by the commission. The bond or letter of credit must be in the amount the commission determines will adequately protect the amount normally due and owing to this state in a regular payment period or, in the case of new or altered conditions, based on the projected revenues.

~~4.5.~~ The commission may grant licenses to horse owners, jockeys, riders, agents, trainers, grooms, stable foremen, exercise workers, veterinarians, valets, concessionaires, service providers, employees of racing associations, and such other persons as determined by the commission. Licensure of service providers, totalizator companies, site operators, and organizations applying to conduct or conducting pari-mutuel wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission. License fees are as established by the commission.

~~5.6.~~ The commission may establish the ~~period of time~~term for which licenses issued under this chapter are valid.

1 ~~6-7.~~ The commission shall deposit all fees collected under this section in the racing
2 commission operating fund. Subject to legislative appropriation, the commission may
3 spend the fees for operating costs of the commission.

4 **SECTION 9. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.2-10. Certificate system - Rules.**

7 The certificate system allows a licensee to receive money from any person ~~present at~~ on a
8 live, simulcast, or historic horse ~~or dog~~ race, ~~simulcast horse race, or simulcast dog race~~ who
9 ~~desires to bet on any entry in that race.~~ A person betting on an entry to win acquires an interest
10 in the total money bet on all entries in the race, in proportion to the amount of money bet by that
11 person, under rules adopted by the commission. The licensee shall receive the bets and for
12 each bet on a live or simulcast horse race shall issue a certificate to the bettor on which is at
13 least shown the number of the race, the amount bet, and the number or name of the entry
14 selected by the bettor. A certificate may not be issued for a wager on a historic horse race. The
15 commission may adopt rules for place, show, quinella, combination, or other types of ~~betting~~
16 ~~usually connected with racing~~ pari-mutuel wagering.

17 **SECTION 10. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **53-06.2-10. Certificate system - Rules.**

20 The certificate system allows a licensee to receive money from any person on a live,
21 simulcast, or historic horse ~~or dog~~ race. A person betting on an entry to win acquires an interest
22 in the total money bet on all entries in the race, in proportion to the amount of money bet by that
23 person, under rules adopted by the commission. The licensee shall receive the bets and for
24 each bet on a live or simulcast horse race shall issue a certificate to the bettor on which is at
25 least shown the number of the race, the amount bet, and the number or name of the entry
26 selected by the bettor. A certificate may not be issued for a wager on a historic horse race. The
27 commission may adopt rules for place, show, quinella, combination, or other types of
28 pari-mutuel wagering.

29 **SECTION 11. AMENDMENT.** Section 53-06.2-10.1 of the North Dakota Century Code is
30 amended and reenacted as follows:

53-06.2-10.1. Simulcast wagering.

1. As used in this section, "account wagering" 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.
2. In addition to racing under the certificate system, as authorized by this chapter, and conducted upon the premises of a racetrack, simulcast pari-mutuel and account wagering may be conducted in accordance with this chapter or rules adopted by the commission under this chapter in accordance with chapter 28-32.
3. Any organization qualified under section 53-06.2-06 to conduct racing may ~~make written application~~ apply to the commission for the conduct of simulcast pari-mutuel and account wagering on races held at licensed racetracks inside the state or racetracks outside the state, or both.
4. Licensure of service providers, totalizator companies, site operators, or organizations applying to conduct or conducting simulcast or account wagering must be approved by the attorney general. The attorney general may not grant a license denied by the commission.
5. Notwithstanding any other provision of this chapter, the commission may authorize any licensee to participate in interstate or international combined wagering pools with one or more other racing jurisdictions. ~~Anytime that~~

 - a. If a licensee participates in an interstate or international combined pool, the licensee, as prescribed by the commission, may adopt the take-out of the host jurisdiction or facility.
 - b. The commission may permit a licensee to use one or more of its races or simulcast programs for an interstate or international combined wagering pool at locations outside its jurisdiction and may allow pari-mutuel pools in other states to be combined with pari-mutuel pools in its jurisdiction for the purpose of establishing an interstate or international combined wagering pool.
 - c. The participation by a licensee in a combined interstate or international wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction in which the licensee is physically located.

d. Pari-mutuel taxes or commissions may not be imposed on any amounts wagered in an interstate or international combined wagering pool other than amounts wagered within this jurisdiction.

e. Breakage for interstate or international combined wagering pools must be calculated in accordance with the statutes or rules of the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.

6. The certificate system also permits pari-mutuel wagering to be conducted through account wagering. ~~As used in this section, "account wagering" 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.~~ An account wager made on an account established in this state may ~~only~~ be made only through the licensed simulcast service provider approved by the attorney general and authorized by the commission to operate the simulcast pari-mutuel wagering system under the certificate system. The attorney general may not grant a license denied by the commission. An account wager may be made in person, by direct telephone communication, or through other electronic communication in accordance with rules adopted by the commission. ~~Breakage for interstate or international combined wagering pools must be calculated in accordance with the statutes or rules of the host jurisdiction and must be distributed among the participating jurisdictions in a manner agreed to among the jurisdictions.~~

SECTION 12. A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

Historic horse race wagering.

1. In accordance with pari-mutuel wagering under the certificate system, and if conducted at an equine racing facility, pari-mutuel wagering on historic horse races may be conducted in accordance with this chapter or rules adopted by the commission. Any equine racing facility under this chapter may offer wagering on historic horse races on electronic devices if:

a. Wagering is conducted within an equine racing facility, using the pari-mutuel method of wagering;

- b. A licensee maintains no fewer than two terminals offering the same type of wager on historic horse races;
 - c. The terminal used for conducting a historic horse race:
 - (1) Provides true and accurate past performance information on each historic horse race before a patron makes selections;
 - (2) Displays the official results of each race;
 - (3) Has been tested by an independent testing laboratory to ensure integrity and proper working order; and
 - (4) Displays pool amounts that patron will receive for a winning wager; and
 - d. The identity of each race is revealed to the patron after the patron has placed a wager.
2. The terminal used for conducting a historic horse race may display a photographic recording or digital simulation or recreation of a portion of the race.
 3. Notwithstanding any other provision of this chapter, in addition to any bond provided to the attorney general as security for other licensed activity pursuant to section 53-06.2-08, each licensed service provider approved by the commission to offer wagering on historic horse races shall post a bond of five hundred thousand dollars payable to the state. A licensed service provider posting a bond under this section is not required to post more than one bond in the amount of five hundred thousand dollars, regardless of the number of simulcast facilities at which it offers wagers on historic horse races.

SECTION 13. A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

Pari-mutuel horse wagering.

For pari-mutuel horse wagering:

1. Wagers must be placed in one or more wagering pools.
2. Wagers on different races or sets of races may be pooled together.
3. Patrons may establish odds or payouts.
4. Winning patrons share in amounts wagered, including carryover amounts plus amounts provided by an association less any deductions required, as approved by the commission.

1 5. Pools may be paid out incrementally as approved by the commission.

2 **SECTION 14.** A new section to chapter 53-06.2 of the North Dakota Century Code is
3 created and enacted as follows:

4 **Racing commission operating fund.**

5 There is created in the state treasury the racing commission operating fund. The fund
6 consists of all racing taxes, monetary fines, and interest and penalties collected under this
7 chapter.

8 **SECTION 15. AMENDMENT.** Section 53-06.2-11 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses -**
11 **Payment to general fund.**

12 1. For wagering on live horse racing:

13 a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than
14 twenty percent of the amount wagered. Of the amount wagered, the licensee
15 shall pay:

16 (1) One-half of one percent to the state treasurer to be deposited in the
17 ~~general~~racing commission operating fund.

18 (2) One-half of one percent to the commission to be deposited in the breeders'
19 fund.

20 (3) One-half of one percent to the commission to be deposited in the purse
21 fund.

22 (4) One-half of one percent to the commission to be deposited in the racing
23 promotion fund.

24 b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools,
25 the licensee may deduct no more than twenty-five percent of the amount
26 wagered. Of the amount wagered, the licensee shall pay:

27 (1) One-half of one percent to the state treasurer to be deposited in the
28 ~~general~~racing commission operating fund.

29 (2) One-half of one percent to the commission to be deposited in the breeders'
30 fund.

(3) One-half of one percent to the commission to be deposited in the purse fund.

(4) One-half of one percent to the commission to be deposited in the racing promotion fund.

2. For simulcast and account wagering:

a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Except as limited in subdivision c, of the amount wagered by simulcast and account wagering in win, place, and show pari-mutuel pools, the licensee shall pay:

(1) One-sixteenth of one percent to the state treasurer to be deposited in the ~~general~~ racing commission operating fund.

(2) One-sixteenth of one percent to the commission to be deposited in the breeders' fund.

(3) One-sixteenth of one percent to the commission to be deposited in the purse fund.

(4) One-sixteenth of one percent to the commission to be deposited in the racing promotion fund.

b. Except as limited in subdivision c, of the amount wagered by simulcast and account wagering in daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee shall pay:

(1) One-sixteenth of one percent to the state treasurer to be deposited in the general fund.

(2) One-sixteenth of one percent to the commission to be deposited in the breeders' fund.

(3) One-sixteenth of one percent to the commission to be deposited in the purse fund.

(4) One-sixteenth of one percent to the commission to be deposited in the racing promotion fund.

c. ~~For the fiscal year commencing July 1, 2013, the licensee may not pay more than four hundred thousand dollars. For the fiscal year commencing July 1, 2014, and~~

~~thereafter, the~~ The licensee may not pay more than four hundred twenty thousand dollars.

3. For historic horse race wagering, the licensee may deduct no more than twenty-five percent of the amount wagered. Of the amount wagered, the licensee shall pay:

a. One-fourth of one percent to the state treasurer to be deposited in the ~~general~~ racing commission operating fund.

b. One-sixth of one percent to be deposited in the breeder's fund.

c. One-sixth of one percent to be deposited in the purse fund.

d. One-sixth of one percent to be deposited in the racing promotion fund.

~~e. One-fourth of one percent to be deposited in the treasury of the county in which wagering on historic horse racing takes place.~~

~~f.e.~~ One-fourth of one percent to be deposited in the treasury of the city in which wagering on historic horse racing takes place.

f. One-fourth of one percent to be deposited in the Gambling Disorder Prevention and Treatment Fund.

4. All moneys in the racing commission operating fund, in excess of those appropriated by the legislative assembly for administrative and operating costs associated with the racing commission, must be transferred to the general fund.

5. For all pari-mutuel wagering the licensee shall pay to the commission the amount due for all unclaimed tickets and all breakage on the first twenty million dollars wagered in each fiscal year with each service provider. The amount received must be deposited in the racing promotion fund.

~~4.5.6.~~ The licensee conducting wagering on live racing, simulcast horse racing wagering, historic horse racing, or account wagering shall retain all other money in the pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules adopted by the commission.

~~5.6.7.~~ A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel racing wagering under the certificate system. ~~After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under section 53-06.1-11.1.~~

1 ~~6,7,8.~~ The commission shall deposit the moneys received pursuant to subsections 1, 2, and
2 3, and 45 and from the North Dakota horse racing foundation pursuant to subsection 5
3 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion
4 fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and
5 racing promotion fund are appropriated to the commission on a continuing basis to
6 carry out the purposes of those funds under this chapter and must be administered
7 and disbursed in accordance with rules adopted by the commission. The commission
8 may not transfer money among the funds. The commission shall distribute in-state
9 awards and payment supplements from the breeders' fund in the same calendar year
10 the money was earned by the recipient. The commission shall distribute out-of-state
11 awards and payment supplements from the breeders' fund, if made available by the
12 commission, within two months of the end of the calendar year the money was earned
13 by the recipient. The commission shall distribute payments awarded to qualified
14 owners and breeders from the breeders' fund without requiring owners and breeders
15 to apply for the payments. ~~The commission may receive twenty-five thousand dollars~~
16 ~~per year or twenty-five percent per year, whichever is greater, from the racing~~
17 ~~promotion fund for the payment of the commission's operating expenses.~~

18 **SECTION 16. EFFECTIVE DATE.** Sections 2, 7, and 10 of this Act are effective on
19 August 1, 2027.