

Madam Chair, Members of the committee, my name is Michael Howe, State Representative District 22, West Fargo. I'm here to introduce and support House Concurrent Resolution 3032. This resolution, once passed, will put the legalization of sports wagering on the November 2022 ballot.

The only way to legalize sports wagering in North Dakota is to make a constitutional change. Previous bills from earlier legislative sessions were poorly crafted and would have been moot. A constitutional amendment resolution and ensuing decision at the ballot box is the only way for North Dakota to join 25 other states and the District of Columbia to have legal, regulated sports wagering.

How did we get here? In 2018, the United States Supreme Court declared that the Professional and Amateur Sports Protection Act (PASPA) is unconstitutional. That decision allowed states to legalize and regulate sports wagering within their own borders.

Since 2018, over \$400 million in tax revenue has been collected by states and local jurisdictions. An Eilers report from last February estimated that North Dakota would bring in \$7.2 million per biennium in tax revenue from sports wagering.

Oxford released a study that estimates nearly 140,000 North Dakotans are sports wagering today-illegally. For decades, state-regulated brick and mortar sportsbooks in Nevada offered the only legal sports betting in the U.S. However, with the advent of the internet, illegal bookies have taken advantage of lax or even non-existent laws in places like Antigua, Costa Rica, Latvia, and Panama to set up online sportsbooks that target American customers. These sportsbooks are illegal in the United States and prey on unsuspecting Americans. Legal, regulated sportsbooks uphold key principles of responsible gaming, protection of consumer funds as well as data privacy. Offshore mobile sportsbooks do nothing to protect their patrons. In fact, should a consumer find themselves at odds with their offshore bookie (not being able to withdraw their funds or disagreeing with how a bet was settled, for example), there is no one the consumer can turn to for help. Further, should the federal government initiate a proceeding against any of these offshore books, customers might lose their money on deposit with the book with little to no recourse. These illegal operators also avoid contributing state and local taxes to U.S. communities. If legalized in North Dakota, legal sports gaming companies and the state of North Dakota would provide the proper oversight and regulation for wagering participants.

The State Board of Higher Education testified in an earlier hearing against legal sports wagering. Their concerns of student athletes potentially "throwing a game" are completely unfounded. Louis Brandeis, an American lawyer and Associate Justice on the US Supreme Court, once said: "Sunlight is said to be the best of disinfectants; electric light the most efficient policeman..." Meaning legalized sports wagering will actually make it harder to fix games. Once legalized, sports wagering will be monitored, and any irregular activity will be easily detected. It is easier to fix games in an un-monitored environment, in which money flows under the radar. Therefore, the common belief that legalizing sports betting will

corrupt sports is wrong. If the tens of thousands of North Dakotans who participate illegally now haven't attempted to corrupt a college football game, the chance of that happening once legalized becomes even less likely.

Madam Chair and members of the committee, the only way to legalize this is to put this to a vote of the people of North Dakota. I feel the majority of North Dakotans want this. If you disagree, we have a way of finding out. At the ballot box. We as legislators cannot make this legal. Only the people of North Dakota can. Let's give them that opportunity to decide.