

Young people in the Backus area (a community of about 250 people in Cass County, Minnesota) will benefit from a new environmental, conservation and outdoor recreation scholarship program, expanded opportunities in 4H, scouting and school athletics and a helping hand for the cost of post-secondary education. The Backus Fire and Emergency Medical Units which serve several area townships have new resources to upgrade equipment. Economically-challenged families in the region will receive financial help and veterans programs in the area will have more money to serve their clients.

These vital community resources aren't coming from government, but from grants provided by Backus American Legion Post #368. The money financing these grants (and the others that will support community festivals, finance snowmobile trail maintenance and other community assets) comes from charitable gaming.

The Backus Legion is like a thousand other organizations around the state that sponsor charitable gaming. They sponsor raffles, bingo, pull tabs, tip boards and paddle wheels to support their communities and their charitable missions. The Backus Legion is like other charitable gaming organizations in another way. Last year, the Backus Legion paid more to the state in taxes than it was able to donate to local causes. Its state tax bill was \$77,100 – a 94 percent increase over the preceding year.

Those are important numbers to keep in mind as Minnesota lawmakers consider whether sports betting should be allowed in the state. Operators of charitable gaming aren't opposed to sports betting. New competitors – including the state lottery, pari-mutuel betting and casinos – have been a regular and growing reality throughout our more than 70 years of operation.

Charitable gaming has survived because it has become part of the fabric of communities throughout Minnesota. Charitable gaming raises money locally to invest locally. Charitable gaming is a social activity. It takes place in brick-and-mortar locations, bringing customers to the veteran posts, fraternal clubs, Main Street taverns and local restaurants that are the social gathering spots for many communities. Charitable gaming is low-stakes and usually done with others, important safeguards to reducing the risk of problem gambling.

Sports betting is different in just about every way. According to vendors who have expressed an interest, it likely will be mainly an internet-based activity, available at all hours of every day. Studies show that the more an activity is readily available the greater the opportunity to abuse the activity.

Sports books aren't going to draw customers to Main Street businesses or generate funds for the grants that benefit local communities. Instead, profits likely will leave Minnesota.

In spite of these drawbacks, the state seems poised to run headlong into allowing sports betting. Those of us in charitable gaming aren't opposed to another competitor. We recognize that sports betting is an activity enjoyed by many and, if regulated and taxed fairly, can benefit the state. But based on the experience of charitable gaming and in the interest of fairness, we offer three suggestions:

First, policymakers should take the time to thoroughly study the rules and regulations that are needed to manage sports betting in a way that protects players, the integrity of the games and the reputation of the state. Walking before running in this case would be sage advice to heed.

Second, some published estimates are that the state will net 1.5 cents on every dollar wagered on sports bets made in the state. The state currently taxes charitable gaming 2.5 times that amount. Charitable gaming long has argued to reduce taxes on its operations to allow more funds to be invested in local needs. But if the state isn't willing to reduce taxes on Minnesota-based, mission-driven non-profit organizations, it shouldn't give a tax advantage to out-of-state, for-profit companies. That defies any definition of logic or fairness.

Third, some of the revenue from sports betting should be dedicated to local communities. Charitable gaming has become a vital safety net for struggling communities and families throughout the state. We are open to competition, but Minnesotans and their communities shouldn't be the losers in a field of expanded gaming options.

Charitable gaming will continue to deliver aid to our communities and missions as long as we possibly can no matter what the competition. Bring sports book on, but on a level playing field and with protection for the interests of all Minnesotans.