

Chair Kiffmeyer,

Al Lund, Allied Charities of MN. First I want to again thank you for your ongoing support of charitable gaming in Minnesota. It means a lot and I have let our members know of your support.

I am writing to you today in regards to SF1402, a bill which currently resides in your committee. It is a bill that deals with the conduct of what has become known as Daily Fantasy Sports (DFS). Charitable gaming organizations oppose this bill in its current form.

There is no national consensus whether DFS is gambling or a game of skill as the bill contends. The bill contains words such as entry fees and prizes, words that are quite common in the charitable gaming world. If DFS is not a member of our immediate gambling family it is certainly a first cousin. As such it needs to be regulated and taxed as charitable gaming currently is.

The primary argument made for the bill by for profit DFS vendors is that the activity is currently being done in MN (has been since its inception eight years ago) and that the bill is only legalizing the activity and regulating it.

If the bill is passed DFS would have seven pages of regulation while charitable gaming currently has 81 pages of statutes and 123 pages of rules.

The bill does not address the taxation of the proceeds by for profit DFS vendors. I have yet to have anyone in state government confirm that for profit DFS vendors have paid one dollar into our tax coffers in the past eight years while last fiscal year alone gaming charities paid in over \$70 million in taxes and fees. DFS is currently dominated nationally by two players, neither of which reside in MN.

Last year in committee in the other body I testified that charitable gaming would take the DFS deal in a heartbeat. That offer would still stand. Almost no regulation and 14% of what our highest tax rate currently is would be a boon to us, our missions and our communities.

I would also urge you to please speak with the Gambling Control Board for their opinion of the bill.

If the determination by your committee is to move SF1402 along, charitable gaming organizations would sincerely appreciate incorporating changes that would address the regulating and taxation of for profit DFS vendors to be similar to how charitable gaming is currently regulated and taxed.

I thank you for your time.

Regards,

Al