

Hello District 15 Presidents,

My name is Matt Balmer and I am the president of the Northern Lakes Lightning Youth Hockey Association. While we enjoy competing against each other all season long, I wanted to take a moment to “join hockey forces” for the common good of all of the kids we serve. As President of your respective associations I sincerely hope you’ll take 5 minutes to read this, as you’ll see, it’s important.

As you may or may not be aware, there is a bill that was introduced into both the Minnesota House and Senate floors proposing a drastic rate reduction in the taxes that charitable gambling entities pay. The movement has been gaining some momentum, and I have attached an article recently that was in the Brainerd Dispatch which gives a great overview of this. <https://www.brainerddispatch.com/opinion/editorials/4574654-our-opinion-reduce-taxes-charitable-gambling>

Most youth hockey associations across the state of Minnesota, ours included, have some type of charitable gambling operation. In fact, some of the largest charitable gambling entities in the state belong to youth hockey associations. But to truly understand the importance of this, and understand how your organization will be effected, you must first understand what your association pays in taxes – and you’ll see it’s a lot. For example, we are a mid-sized association in terms of charitable gambling revenue and our association paid about \$260,000 in taxes this fiscal year. So the net effect of this change (a proposed 50% reduction in taxes) would benefit our kids to the tune of about \$130,000. Money that would now remain in our association, instead of the State’s coffers. Your gambling entity may be larger than ours, or smaller, but as you can see the bottom line effect is significant regardless of the size of your gambling operation. And with a proposed 7/1/19 effective date it would also be a near immediate benefit.

The purpose of my email today is to ask for your help with this cause, for youth hockey across Minnesota and more broadly for non-profit organizations all across the state as well. I’m asking each of you to reach out to your local legislators on behalf of your organization and request their support of this bill. We at Northern Lakes have personally reached out to our four legislators (that encompass the area we serve), and each have pledged their support of this bill.

I’ve included below the note I emailed to each of our legislators, feel free to use it as your starting point and modify it accordingly, or write your own. But PLEASE, PLEASE, PLEASE take an hour out of your day to do this, it’s important!!! Should this legislation pass, the impact will be immediate and your association will be indebted to you for advocating on the behalf of the kids.

Many thanks for your time!

Matt Balmer

2018/2019 Northern Lakes Lightning Youth Hockey Association President

*****Sample Note*****

Hello Representative Heintzeman,

I hope this note finds you well. I’m writing today on behalf of the Northern Lakes Lightning Youth Hockey Association, of which I am the current president. I have recently read two articles about the work Senator Ruud and Representative Lueck are doing as it relates to authoring bills lessening the tax burden on charitable gambling for non-profit organizations, such as ourselves. The intent of my note today is twofold; first and foremost to ask for your support of this bill, but I also wanted to provide you with some “boots on the ground” feedback on how the tax rate directly effects an organization like ours, and

specifically our bottom line; which in turn directly effects the experience we are able to provide to the 250 +/- kids of our association.

For example, in our fiscal year of 2017/2018 (April 1st of 2017 to March 31st of 2018) our charitable gambling operation had net receipts of \$763,430, of which when "all the dust settled" we paid the State of Minnesota \$236,085 in taxes leaving us with a net income for our association of \$114,003. For all of the effort we invested in our charitable gambling operation, the state more than doubled our return. For our current fiscal year (which ends in a few weeks) our pro forma numbers have us at approximate net receipts of \$846,000, with an approximate tax liability of \$265,000 and a projected net income of about \$113,000. We paid more in taxes this year than last, yet our net income actually declined slightly. While we understand taxes are necessary in a society like ours, it seems charitable gambling operations that sustain non-profit organizations like ours - that are vital to the communities we serve - are being inordinately taxed. I'm hopeful we share this viewpoint.

As a rural hockey association we represent about 200 families that hail from Pequot Lakes, Crosslake, Breezy Point, Aitkin, Crosby, Merrifield, Mission, Ideal Corners, Pine River, Emily, Nisswa, Fifty Lakes etc. Given we are a cooperative association made up of kids from multiple towns, we own and operate our own busses which shuttle kids between rinks during the week. We own an outdoor rink located at the Breezy Point Sports Center which is open to the public. We buy ice from the local arenas. We employ a gambling staff of about 15 full and part time folks. We provide free gear to all players up to the age of 10, which we buy locally. We host Come Try Hockey events where little kids can try hockey for free. We solicit volunteers in virtually every facet of our association to make it work. But every year it gets tougher and tougher for us. Ice is getting more expensive, gear is getting more expensive, wages go up...nothing ever seems to go down in cost. Yet as our gambling revenue has grown over the years, our bottom line hasn't kept pace - in fact it's declined over the past 5 years. To put it bluntly, every single dollar that doesn't go in the "tax bucket" is a dollar that goes into our "net income bucket". And I can tell you the dollars in that bucket go towards making hockey a viable and affordable option for towns all across your district, regardless of family makeup or financial ability. We are making the State of Hockey's sport affordable for all.

In conclusion, we'd like to ask for your support of the bills co-authored by Representative Lueck and Senator Ruud to reduce tax rates for charitable gambling as they make their way through the legislature. We hope you agree that putting more dollars into the hands of non-profit organizations like ours are a better place for them than the State of Minnesota's coffers.

Sincerely,

Matt Balmer

2018/2019 Northern Lakes Lightning Youth Hockey Association President

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