

CAGE | *Citizens Against Gambling Expansion*

April 8, 2024

Honorable Kari Dziedzic
Chair
State and Local Government and Veterans Committee
3113 Minnesota Senate Bldg.
St. Paul, MN 55155

Chair Dziedzic and Members of the Committee:

I write today to encourage support of SF5354 which provides important clarifying language in Minnesota statutes unequivocally stating that advanced deposit wagering and pari-mutuel betting does not include bets made on historical horse racing (“HHR”).

Under current law, HHR proponents are claiming language in the advanced depositing legislation in the not-so-distant past allow for the placing of HHR wagering devices at Minnesota’s racetracks under the guise of increasing purses. Authors and supporters of this past legislation have stated this was not the intention of the legislation.

The Minnesota Racing Commission disregarded these statements and voted in favor of a request to deploy HHR machines to Minnesota racetracks. As part of their approval, the Racing Commission disregarded the opinion of the Alcohol and Gambling Enforcement division of DPS which stated that HHR machines match the elements of MN Stat. § 609.75, subd. 4 and subd. 8 making them gambling devices under MN law and therefore unlawful.

The machines used for HHR betting are purposely designed to mimic typical slot machines. A player’s experience is essentially identical to that provided by slot machines. HHR machines are an attempt to bypass legislative actions that have stopped many additional attempts to expand slot machine gambling throughout the state. The HHR machines under consideration look like slot machines, act like slot machines, and in any reasonable evaluation are slot machines.

National and international studies have shown slot machines to be the most addictive form of gambling.

The Haynes Clinic, which provides treatment for problem gamblers recently released a report on just how highly addictive slot machines are. They said [slot machines] “contribute to more problem gambling and addictive behavior than any other gambling activity. Electronic gaming machines have become known as “the crack cocaine” of gambling. Slot machines are designed to play on many reward mechanisms of the brain. Slot machines, in any environment including Casinos, play faster than any other game. They are set up to perform a massive 500 spins or more each hour. This is against a hand played casino card game of Blackjack at 60 to 90 hands an hour and the difference is obvious. Slot machines have a higher percentage profit back to the casino. Therefore, this

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fast play rate combined with a larger casino advantage can lead to serious losses over a short period of time.”

The introduction of HHR machines in Minnesota will defy existing laws and treaties governing slot machines and parimutuel betting.

The Minnesota Racing Commission is charged with ensuring the integrity of pari-mutuel horse racing. Parti-mutuel is defined as a “system of betting on which those who have bet on the winners of a race share in the total amount wagered less a percent for the management.” HHR is not parti-mutuel. Instead, gamblers place bets individually and the odds and payouts are fixed in advance. In voting in favor of the deployment of slot machines to Minnesota’s racetracks by the Racing Commission, they have sidestepped Minnesota law, in direct and the legislature must step in to correct this wrongful action.

CAGE and our coalition members who oppose the expansion of gambling in Minnesota, which this legislation would go along way in preventing, encourage you to enact this clarifying legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jake Grassel', with a stylized, cursive script.

Jake Grassel
Executive Director
Citizens Against Gambling Expansion