

Senate Finance Committee

February 23, 2026

IN RE: CS SB170 – A Statement in Support

Dear Senators:

On behalf of Diamond Game, a charity gaming manufacturer providing electronic pull tabs and similar products across North America, we support SB170. Overall, we find SB170 to be a well-crafted bill that addresses the significant issues surrounding electronic pull tabs in an even-handed manner.

We support this bill because electronic pull tabs on a tablet will help charity gaming stay relevant in today's video age, generating incremental revenue for charities and local businesses.

In particular, a few components of the bill stand out to us as positive. These are:

- Tablets only, not cabinets. While Diamond Game proudly manufactures and operates cabinets in numerous markets in the United States, we recognize that the State of Alaska is not prepared to move forward with electronic pull tabs in a cabinet format. We have witnessed, in far too many jurisdictions, that parties seeking “cabinets or nothing”, or a cabinet-exception for their type of organization over others, stand in the way of progress for the industry. These tactics ultimately hurt the other charities that benefit from new forms of charity gaming.
- Tablet electronics have proven to be complementary and incremental to existing pull tab fundraising. In Minnesota, traditional pull tab gross sales increased 100%, from \$1,054,000,000 in 2013 to \$2,048,000,000 in 2024, while electronic pull tab tablet gross sales grew from \$0 to \$2,670,000,000 over the same period, proving that electronics can be complementary and incremental to existing charity gaming.
- Section 32 (5), Page 16, lines 14: Autoclose: We support the autoclose feature because it benefits players who, through this feature, can be assured that top prizes advertised are, indeed, available to be won. This feature also benefits the charities because, without it, a game may “die” once the top prizes have been won and people stop playing the game, negatively impacting revenue to the charity.
- Section 32 (f), Page 16, line 25: Total price a distributor may charge may not exceed 35% for electronic pull tabs.
 - We support this maximum total price percentage that can be charged.
 - We have heard some people advocate for a lower limit because a lower limit was established recently in Minnesota. However, it is important to understand that this

limit was established in Minnesota well after the costly early years of the program.

- With any program like this, the manufacturer and distributor have very significant startup costs in personnel, vehicles, equipment and software development expenses.
 - Also, it takes time for players to become familiar with the product and try it. It took many years in Minnesota to reach current revenue levels.
 - Further, the manufacturer never stops developing new products and features for the market.
 - Thus, the distributor and manufacturer need time to recoup their investments. That is why we support the cap at 35%.
 - And, it is worth remembering, free market forces mean that actual prices may be lower than the capped rate.
- Section 37 (k) Page 17 line 30 to Page 18 line 1: We support this limit on the number of tablets per site.
 - Section 41 (l) Page 18 lines 26-28 and Page 19 lines 2-3: Vendor limit of 25%: We support this percentage limit to Vendors. It is a reasonable middle ground provided by the bill drafters—it is not the lowest share seen in other markets nor is it the highest share seen in other markets.

The following components of the bill are items we would like to see changed to improve the bill. Again, we support SB170 as written, but believe the following changes would make the bill better for most if not all stakeholders:

- Section 25 (j), page 11, line 4 and (m) line 27: Prohibits exclusive paper pull tab games to a maximum of 5 years.
 - The problem with this language is that a great deal of time and expense is spent developing exclusive games, with such expenses often taking years to recoup.
 - Abruptly ending the exclusive on games that have already been in the market for 5 years (if that is the intent of this language) could lead to losses not only to the manufacturer and distributor, but also to the charity that buys these exclusive games.
 - The bill language overrides existing contractual relationships with distributors and manufacturers.
 - The language also may run counter to federal trademark and copyright law. We don't believe state statutes can override these federal laws.
 - Our first position is that this language isn't necessary and should be deleted. There isn't a problem in the market that that the language is attempting to fix.
 - Our second position, if the Committee believes a 5-year moratorium is important, is to "grandfather" existing games. Here is proposed grandfathering language added in **bold**:

- (j) may refuse to sell . . . only if:
 - (1) the distributor seeks to buy a specific paper pull-tab game being sold exclusively to one distributor **prior to the effective date of this legislation or** during the first five years of production as permitted under (m) of this section:

Line 27: (m) A pull-tab manufacturer may make available a paper pull-tab game exclusively to one distributor **if such game was provided exclusively to such distributor prior to the effective date of this legislation or** during the first five years of production of the game.
 - Our third position, if neither of the first two are acceptable, is to apply the same five-year exclusivity period to both existing exclusive games and new games.
 - Existing exclusives need the same amount of time as new exclusives to transition customers without disrupting product availability or charitable gaming revenues.
- Section 37 (n) Page 18 line 6-9: Prohibits gifts to operator, permittee or qualified organizations.
 - Make this stronger. We have seen inducements in other states inhibit the free market and competition. Suggested language in **bold**. Add that “An operator, permittee, or qualified organization may not accept gifts **or anything of value** from a pull tab manufacturer, an owner or employee of a manufacturer, an immediate family member of an owner or employee of a manufacturer, or a parent company, sister company, or subsidiary of a manufacturer **or from a distributor, an owner or employee of a distributor, an immediate family member of an owner or employee of a distributor, or a parent company, sister company, or subsidiary of a distributor.**”
- Section 41 (m) Page 18 line 29-30: This section unnecessarily limits what vendors may be able to sell in the future. Delete the word “only” or simply delete all of (m).
- Section 41 (t) Page 19 line 25-28: prohibits gifts to operator, permittee or qualified organizations.
 - Same note as above. Make this stronger. Add that “A vendor may not accept gifts **or anything of value** from a pull tab manufacturer, an owner or employee of a manufacturer, an immediate family member of an owner or employee of a manufacturer, or a parent company, sister company, or subsidiary of a manufacturer **or from a distributor, an owner or employee of a distributor, an immediate family member of an owner or employee of a distributor, or a parent company, sister company, or subsidiary of a distributor.**”

Thank you for considering these modest changes to SB170 and for supporting this important piece of legislation in support of charity gaming.

Sincerely,



Bill Breslo
President