

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2050

2001 SENATE APPROPRIATIONS

SB 2050

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2050

Senate Appropriations Committee

Conference Committee

Hearing Date January 16, 2001

Tape Number	Side A	Side B	Meter #
Tape #3	x		0.0 - 13.4
Committee Clerk Signature <i>Jennie Putsch</i>			

Minutes:

Senator Nething opened the hearing on SB2050.

Senator Tony Grindberg, District 41 in Fargo, presented SB2050 to the Senate Appropriations Committee for consideration. Last year the Budget Section made the motion that \$197,714 which had been in the attorney general's office, then to general funds -- should in fact be returned to the attorney general's office. This sum is to be used by the attorney general's office to dispense to cities and counties for local law enforcement programs in the gaming arena.

Senator Nething: Is this in the governor's budget?

Senator Grindberg: No, 0103 process.

Senator Nething: General fund revenue -- spent?

Senator Grindberg: Yes, the general fund.

Page 2

Senate Appropriations Committee
Bill/Resolution Number SB2050
Hearing Date January 16, 2001

Senator Gary Nelson, District 22, rural Cass Country, testified in support of SB2050. He is in agreement with the budget section, and the decision to place the funds in the attorney general's office budget for distribution to local law enforcement activities in the gaming arena.

Senator Nething: Okay to take it out of the general funds?

Senator Gary Nelson: Yes.

Senator Bowman: How did you arrive at the figure of \$197,714?

Senator Grindberg: Tobacco settlement dollars received minus expenditures.

John Walstad, Legislative Council: Confirming that the money here was from the tobacco legal settlement (originally some 700 thousand dollars) less valid related expenditures; ending figure being \$197,714.

Representative Ron Carlisle, District 30, Bismarck: Testified in support of the request.

Jerry A. Hjelmstad (lobbyist #29 - North Dakota League of Cities); testified in support of SB2050. He indicated that the gaming funds have been distributed to cities and counties -- in the past at approximately 1 million per biennium. However, this past biennium only \$255 thousand available. Needless to say enforcement of gaming laws had a different direction with the lack of funding. This bill could make up some differences for many cities and counties when they plan enforcement of gaming laws.

Bill Wocken, Bismarck City Administrator, testified in support of SB2050. The city's strategy methods regarding the enforcement of gaming laws had to be revisited this past biennium, and the approval of this bill would allow us to again be more active in this area. The cities use a certain percent of their own budgets for enforcement, but this amount will certainly send relief to many cities and counties.

Page 3

Senate Appropriations Committee

Bill/Resolution Number SB2050

Hearing Date January 16, 2001

Senator Heltkamp: Need to have a little more background information -- regarding what happened 2 years ago versus now?

Senator Grindberg: Is the issue of amount left over. 99-01 closing of the attorney general's office, treated as extra funds and returned to the general fund.

Deborah Ness, Chief of Police, City of Bismarck: Testified in support of the appropriation for gaming grants. Last session with funding cut, it was up to the various cities and counties to enforce the gaming laws. North Dakota does indeed have a good reputation, gaming is a good industry, and no corruption, in part due to the diligence of law officers who enforce the rules. She urged a do pass on SB2050.

Keith Lauer, Attorney General's Office: Distributed background information on Local Gaming Enforcement Grants (a copy of documentation is attached), as well as a list of gaming enforcement grants - sums requested and amounts granted December 1999 (a copy of documentation is attached).

Senator Kringstad: Two grants -- one for \$50 and one for \$96 -- seems awfully low?

Keith Lauer: Various counties and cities apply for small equipment funds (perhaps for a cell phone, similar item).

No additional testimony, for or against, Senator Nething closed the hearing on SB2050.

January 23, 2001

Appropriations Committee convened by Senator Nething.

SB 2050 to provide an appropriation for gaming grants and to declare an emergency. Senator Grindberg moved a DO PASS, seconded by Senator Tomac. No discussion. Roll Call vote: 14 yes, 0 no, 0 absent. Senator Grindberg accepted the floor assignment. Tape 1, Side A, 0.0-23.4.

Date: 1-23-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2050

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken As Pass

Motion Made By Sen Grindberg Seconded By Sen Tomac

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 14 No 0

Absent 0

Floor Assignment Sen Grindberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 23, 2001 2:58 p.m.

Module No: SR-11-1458
Carrier: Grindberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2050: Appropriations Committee (Sen. Nething, Chairman) recommends DO PASS
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2050 was placed on the
Eleventh order on the calendar.

2001 HOUSE APPROPRIATIONS

SB 2050

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2050

House Appropriations Committee
Government Operations Division

Conference Committee

Hearing Date February 5, 2001

Tape Number	Side A	Side B	Meter #
02-05-01 tape #1	3300 - 6212	0 - 180	
Committee Clerk Signature <i>Kathie Hall</i>			

Minutes:

The committee was called to order, and opened the hearing on SB 2050. The clerk read the title of the bill.

Rep. Carlisle: Appeared to represent the bill sponsors. The bill deals with the local gaming enforcement grants. Since 1983 30% of the gaming tax collected is paid back to the cities and counties as local gaming enforcement grants. In the 1999 - 2001 biennium the amount for local gaming enforcement grants was reduced by the then-Attorney General to balance her budget. During the present biennium, the office of the Attorney General requested the emergency commission to approve the \$197,714 request for additional local gaming enforcement grant. In the interim, the budget section did not approve the request but proposed that the office preserve the money for this legislative session, and then they would appropriate the money as a grant. However, the office has transferred the money to the general fund, as of 6/30/2000, with the understanding that the legislative assembly would honor the budget section's suggestion to

appropriate the funds as an emergency measure. This bill does this. He pulled the motion made from the budget section and read that to the committee.

Rep. Huether: Wasn't the amount in the previous years budget close to a million dollars? How did we arrive at that decrease, wasn't there a survey or something?

Rep. Carlisle: The amount of gaming enforcement grant decreased from \$1,014,155 to \$221,877, a reduction of \$792 something.

Connie Sprynczynatyk, ND League of Cities: The executive budget request last biennium was for all agencies to reduce their budget by 5%, and there was an optional adjustment. The Attorney General chose to take the entire 5% agency cut out of that fund. And so that \$1.1 million went down to \$221 thousand because the money was not restored in the last session. So there was a gaming grant process created because the budget has been squeezed down to so little. There was additional spending authority provided, that if the Attorney General could find savings in her budget, she could use it. There was some dispute as to her finding funds in her budget or elsewhere. I am here to support the bill.

Rep. Skarphol: What has been the net result in regard to gaming enforcement, as a result of the cut?

Response, Connie S.: Fargo was spending almost \$90,000 annually, and \$85,000 came from the city, more local money was being spent on gaming enforcement. She gave various city spending examples of spending before the decrease. More of the enforcement costs are now coming out of the city moneys, which is a real disadvantage to the larger cities. One of the problems with gaming enforcement is that you need money in reserve. If you have a problem that causes an investigation, it can go on for quite some time. A gaming ring is most successful if you keep it quite tight, and it takes a long time to work on it. The reserve can be used quite

quickly. When charitable gaming was instituted by the state, the state said there is going to be some burden on local law enforcement, so we will help out. Otherwise, the police department funds come from general fund, property tax money. And gaming enforcement is a special problem, so the idea was that if you play, you have to pay. So we took some of that gaming tax to allow for enforcement activities. Until lately.

Rep. Huether: I think we voted on this in the interim in the budget committee.

Response, Connie S.: The language that was attached to the OMB bill, the last one to pass last session, authorized an additional \$310,000 from savings in the budget. But then the source of payment was from the tobacco settlement fees, and that was judged not consistent with the OMB bill. That money was then held aside for your appropriation this year.

Chairman Byerly: To give you more background, this was an area of considerable discussion during the last legislative session. The end result was as Connie said, in the OMB budget there was a statement that if the Attorney General could find the additional money in her budget, then this sum could be transferred to this. The problem is that she tried to transfer money that was not in her budget, it was in one of these funds, that was not a budgeted item. The budget section disallowed the transfer because it was off-budget money. But they did pass a motion that said that the Attorney General could retain the money in this fund, and when we met this session, we would appropriate the money. The trouble is that state law says that on June 30th all fund moneys are transferred to the general fund.

Keith Lauer, Director of Gaming Division, Attorney General's Office: Has prepared written testimony that includes background information on the local gaming enforcement grants, and a schedule of how the additional grant money would be allocated to the cities and counties. There has been considerable discussion already on the overview and background of this bill.

