

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2405

2001 SENATE FINANCE AND TAXATION
SB 2405

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2405

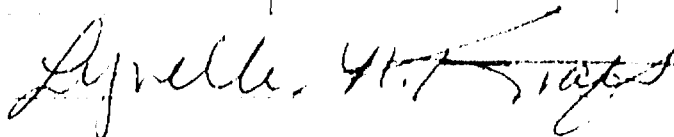
Senate Finance and Taxation Committee

Conference Committee

Hearing Date 2/7/01

Tape Number	Side A	Side B	Meter #
2	x		15.9-24.2
2/12/01 - 1		x	12-15

Committee Clerk Signature



Minutes:

Senator Urlacher: Opened the hearing on SB 4021, relating to transfer of retail alcoholic beverage licensing and games of chance, and parimutuel racing administration responsibilities from the attorney general to the state tax commissioner.

Senator Aaron Krauter: Co-sponsored the bill, testified in support. This bill consolidates several tax collection functions now performed by Attorney General's Office and moves them to the Tax Commissioner's Office. Written testimony attached.

Senator Urlacher: Has there been problems with the way it's going now?

Senator Aaron Krauter: If we can look at ways of improving the efficiency of government, we should take a look at it.

Senator Stenchjem: Have you talked to either one of these agencies about how they feel?

Senator Aaron Krauter: I have had conversations with the employees that work there. It must not be a bigger issue otherwise someone from the departments would be here in opposition.

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Senate Finance and Taxation Committee
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Senator Kroeplin: I think it would be a good idea to see what the thoughts are of the two departments involved.

Senator Urlacher: Closed the hearing. Action delayed.

Discussion held 2/12/01. Meter number 12-15.

COMMITTEE ACTION:

Motion made by Senator Stenehjem for a DO NOT PASS, Seconded by Senator Wardner. Vote was 4 yeas, 2 nays, 0 absent and not voting. Bill carrier was Senator Stenehjem.

FISCAL NOTE
 Requested by Legislative Council
 01/30/2001

Bill/Resolution No.: SB 2405

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2405 transfers certain duties from the Attorney General to the Tax Commissioner. This will result in an increase in administrative costs for the Tax Commissioner in an amount not yet determined.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Kathryn L. Strombeck	Agency:	Tax Department
Phone Number:	328-3402	Date Prepared:	02/07/2001

Date: 2/12/01
Roll Call Vote #:)

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2405

Senate Finance and Taxation Committee

- Subcommittee on _____
- or
- Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Stenehjem Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Senator Urlacher-Chairman	✓				
Senator Wardner-Vice Chairman	✓				
Senator Christmann	✓				
Senator Stenehjem	✓				
Senator Kroeplin		✓			
Senator Nichols		✓			

Total (Yes) 4 No 2

Absent 0

Floor Assignment Stenehjem

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

REPORT OF STANDING COMMITTEE (410)
February 12, 2001 12:25 p.m.

Module No: SR-25-3041
Carrier: Stenehjem
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2405: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO NOT PASS (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2405 was placed on the Eleventh order on the calendar.

2001 TESTIMONY
SB 2405

Testimony on SB 2405
Senator Aaron Krauter

SB2405 consolidates several tax collection functions now performed by staff in the Attorney General's Office and moves them to the Tax Commissioner's Office. By putting these functions in the Tax Commissioner's Office the gaming, licensing and racing staff will have access to attorney's with expertise in tax, as well as more potential to provide for streamlining operations, such as performance of audits.

The bill transfers the licensing section, the gaming division and the racing commission from the Attorney General's Office to the Tax Commissioner's Office. Licensing and gaming perform interrelated functions, primarily the collection of taxes and enforcement and auditing of that collection effort.

The licensing section is responsible for collecting the licenses fees of alcoholic beverage retailers; wholesale and retail tobacco product dealers; transient merchants; coin-operated amusement devices operators; fair boards; polygraph operators; charitable gaming operators; gaming manufacturers and distributors; and wholesale fireworks distributors.

The gaming division regulates, enforces, and administers charitable gaming activity in North Dakota. Legal games of chance are bingo, raffles, pull tabs, punchboards, sports pools, twenty-one, poker, calcuttas, and paddlewheels.

The gaming division also provides guidance and training to representatives of organizations, distributors, manufacturers, and local law enforcement agencies; performs office and field audits and investigations of gaming organizations, distributors, and manufacturers; ensures that the receipt, control, and disbursement of gaming funds are accurate and according to the law and rules; reviews gaming tax returns; issues administrative complaints; conducts criminal history record checks of gaming employees and Indian casino employees, and officers and stockholders of distributors and manufacturers; and ensures compliance with five tribal-state casino gaming compacts.

The Racing Commission appointed by the Governor and is a guest agency in the Attorney Generals office, however many of the functions performed by the licensing section and the gaming division interrelate closely with the racing commission from collection of fees to regulation of pari-mutuel betting. Consequently, unless the Racing Commission becomes a free standing agency it makes sense to move it to the Tax Commissioner's Office along with the other related work components.

By bringing each of these tax collection functions into one agency entities that collect gaming taxes, purchase liquor licenses, etc. will deal only with the Tax Commissioner instead of with two agencies. This will provide better service for our citizens and the consolidation will help reduce the cost of government as well.