

FISCAL NOTE
Requested by Legislative Council
02/10/2015

Amendment to: SB 2202

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$(6,600,000)	\$4,136,034	\$(6,600,000)	\$4,136,034
Expenditures	\$0	\$0	\$0	\$4,136,034	\$0	\$4,136,034
Appropriations	\$0	\$0	\$0	\$4,136,034	\$0	\$4,136,034

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$1,785	\$1,785
Cities		\$23,713	\$23,713
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill reduces the gaming tax on gross proceeds exceeding \$25,000 from 1% to .75%. Current law provides for a 1% tax on gaming gross proceeds less than \$1.5 million, and a 2.25% plus \$15,000 tax for gross proceeds of \$1.5 million and above.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

As amended, this bill transfers the reduced general fund revenues into the Gaming Regulation and Enforcement fund to fund the Office of Attorney General's Gaming Division via a continuing appropriation. The gaming enforcement grants distributed to cities and counties will increase based on the rate change from 7% to 13%.

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.*

As amended, this bill will reduce 2015-17 biennium general fund revenues by an estimated \$6.6 million. It will increase other funds revenues into the Gaming Regulation and Enforcement fund by an estimated \$3.6 million. The 2015-17 and 2017-19 biennia gaming monetary fines, interest and penalties revenues are estimated to be \$16,818 for each biennium.

- 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.*

As amended, the Office of Attorney General's Gaming Division will receive gaming regulation and enforcement funding as a result of the Gaming Regulation and Enforcement fund continuing appropriation of approximately \$3.6 million (after the tax rate reductions). The estimated \$4.136 million shown in Section 1 A will provide \$535,498 for gaming enforcement grants to political subdivisions, an increase of \$25,498 based on increasing the rate these entities receive from 7% to 13%.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

To provide \$535,498 in gaming enforcement grants to cities and counties the \$510,000 in grants in the Office of Attorney General's appropriation bill - Senate Bill No. 2003 will need to be increased.

Name: Kathy Roll

Agency: Office of Attorney General

Telephone: 701-328-3622

Date Prepared: 02/10/2015

FISCAL NOTE
Requested by Legislative Council
01/14/2015

Bill/Resolution No.: SB 2202

- 1 A. **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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$(2,801,832)		\$(2,801,832)	
Expenditures	\$0	\$0	\$0	\$(244,128)	\$0	\$(244,128)
Appropriations	\$0	\$0	\$0		\$0	

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$(17,089)	
Cities		\$(227,039)	
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill reduces the gaming tax on adjusted gross proceeds by .25%, from 1% to .75% and changes the amount of gross proceeds on which the tax is levied.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The change in the gaming tax rate on adjusted gross proceeds will result in a significant decrease to general fund revenues. If the intention is to leave unchanged the 7% of the gaming taxes that is paid to political subdivisions, this gaming tax payback will also be significantly reduced.

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.*

This bill will reduce 2015-17 biennium general fund revenues by an estimated \$2,801,832. If 7% rate for the 2015-17 biennium gaming tax payback to political subdivisions is unchanged this payback amount will be reduced by \$244,128. A 14.3% gaming tax payback is needed to continue providing \$510,000 to political subdivisions to assist with gaming enforcement for the 2015-17 biennium.

- 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.*

If 7% rate for the 2015-17 biennium gaming tax payback to political subdivisions is unchanged this payback amount will be reduced by \$244,128.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

If 7% rate for the 2015-17 biennium gaming tax payback to political subdivisions is unchanged this payback amount will be reduced by \$244,128.

Name: Kathy Roll

Agency: Office of Attorney General

Telephone: 701-328-3622

Date Prepared: 01/14/2015

2015 SENATE FINANCE AND TAXATION

SB 2202

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2202

1/27/2015

Recording job number 22602

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature

Doris E. Pérez

Explanation or reason for introduction of bill/resolution:

Relating to gaming and excise taxes; and to provide an effective date.

Minutes:

Attachment #1, 2, 3, 4

Chairman Cook opened the hearing on SB2202

Senator Oehlke, District 15, Devils Lake, co-sponsor of this bill which has to do with the gaming tax. The best thing about the gaming operations in the state of ND is that they are non-profit organizations (with a few exceptions). They get things done with the money they receive; the idea is to reduce that tax once again. This is one of those industries that was adversely impacted in the early nineties when the state had some hard times; they went thru a couple of different groups and taxes were increased on those groups because the state had some real issues with meeting budget necessities and gradually over the last few sessions we have reduced that tax somewhat. There is an amendment: lines 16 to 18 that language is not what we had intended they want only the organizations that have minimal income to escape all taxes. For everybody else the tax would be 0.75%. That would change the fiscal note, it would be less. Also, on line 23, currently the Attorney General deposits 7% of that money and it gets distributed back to political subs to provide cities with law enforcement, etc., we don't want them to be adversely affected so that number will have to be addressed and upped to somewhere around 13%.

Todd Kranda, partner, Kelsch, Kelsch, Ruff & Kranda, Mandan, North Dakota, lobbyist for Charitable Gaming Association North Dakota (CGAND), in support of this bill, see attachment #1. Provided background information on CGAND. Currently there is a two tiered taxation being applied to the gross proceeds (1% for organizations with gross proceeds up to \$1.5M and for organizations exceeding \$1.5M an amount of \$15K plus 2 ¼ % in excess of that \$1.5M. The intent of this bill is to establish a single gaming tax rate of 0.75% for licensed organizations with more than \$25K in gross proceeds and no tax for organizations under \$25K in gross proceeds. The language of the bill doesn't clearly express that and needs an amendment to accomplish that intent and reduce the fiscal note. Submitted a proposed amendment (see attachment 1.3) Senator Oehlke noted that line 23 needs to be adjusted. Fiscal note, 3A the 7% rate for the biennium tax payback to political subdivisions needs to be changed if we want them to receive the necessary funding for their local law enforcement, to around 13-

14%, now fiscal note says 14.3% payback would be necessary to continue the funding, that will change when we make the amendment (4:06- 9:04)

Janelle Mitzel, Charitable Gaming Association of ND and Development Homes Incorporated in Grand Forks, provided handout (attachment #2) listing services offered, use of the gaming trust revenue, and gaming taxes paid to the state of ND (9:25-11:23) In favor of this bill.

No additional testimony in favor, against or neutral

Senator Cook: committee the Red Book, in pp 46 and 47 you will see the history as far as the gaming tax revenue that has come to the state of ND, the elimination of the excise tax going just to the gaming tax collections and gross proceeds from 2112 thru 2014 , and the 2015 estimated tax revenue. Closed the hearing (12:45-13:35)

Jim Dotzenrod for clarification, in our gaming laws we have set up some rules for the way that the money is divided when an organization raises money with charitable gaming; how much they can keep and how much has to go to the charity they support. What assurance we have that the reduction in taxes we are offering here is going to the charity rather than to the organization that sponsors the events. It is not in the bill. Can I assume that whatever percentage distributions we currently have won't change? (13:35-14:34)

Traci LaDouceur (14:42, Charitable Gaming Association Of North Dakota, **North Dakota** Association for the Disabled (NDAD) I do their tax returns. We pay taxes, which we are asking to be reduced, on our gross proceeds. That number comes off our adjusted gross proceeds, we are allowed 60% of that number to run our charitable gaming and 40% goes into our charitable trust account.

Senator Cook closed the hearing on SB 2202

Additional written testimony was sent to the committee:

Attachment #3: Blake Crosby, Executive Director of the North Dakota League of Cities, representing the 357 cities across the state, there is a need for a 14.3% gaming tax payback.

Attachment #4: the City of Fargo, neutral on the concept of reduced gaming tax rates, requesting bill be modified to appropriate no less than the \$510,000 as is currently funded.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2202
2/3/2015
Job #23115

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alicia Grove

Explanation or reason for introduction of bill/resolution:

Minutes:

Chairman Cook opened the committee work on SB2202.

Senator Oehlke -- Two things would change on it the way the bill is written right now, everybody's tax would be lowered and that's not what the bill intended. The bill intended that only for those non-profits whose gaming dollars were \$25,000.00 or less in gross proceeds would not have any tax if the gaming facility earned more than \$25,000.00 they'd pay tax on it from zero all the way through. That's what this amendment would change and also it changes the bottom part of that bill, line 23, it would change that percent up to 13% so that political subs weren't adversely effected.

Chairman Cook -- That's the one thing I'm trying to track down yet to make sure that I am comfortable with it. That's, enforcement administrative policing of this industry done at two levels, I believe, the state's attorney and the local political subs. You are holding a local political subdivision so they can do yours, but it all comes at the expense of the state's attorney. I've got to make sure that there is revenue there for them to do theirs. As soon as I get that answer, I'll bring it to you.

Senator Oehlke -- And I'll have Cole get this ship-shape so that we all have a copy.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2202
2/4/2015
Job #23222

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alice Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Attachment #1

Chairman Cook opened the committee work on SB2202.

There is about \$6 million right now that is generated by this gaming tax for charitable gaming. This bill has a \$2.8 million fiscal note. It is going to bring that down, drastically. I'm not a big fan of gambling. If we're going to have gambling, the best gambling is charitable gambling. My principal is that whatever gambling you have somehow revenue ought to be generated from that gambling to cover the expenses by local government and the state to enforce it and regulate it. As we continue to lower this tax, we're getting to the point where that revenue is not going to be there. I had a conversation with appropriations, Senator Kilzer, who is in charge of the AG's budget, we should put the revenue generated by this gaming tax into a special fund and then put a continuing appropriation on that special fund to the attorney general's office for his enforcement costs. Just to make sure that we always have the revenue generated to cover enforcement. Mr. Walstad is drafting those amendments. Senator Oehlke, you have amendments. Mine are not ready. We can look at them now.

Senator Oehlke -- (Attachment #1) When I introduced this bill, I mentioned two things: one was that the way the bill is currently written, without this amendment, it would allow an exemption on the first \$25,000.00 of taxable income on all organizations and that wasn't the intent. This bill would change it so that only those who make less than \$25,000.00 on their gaming proceeds would not have to pay a tax. If someone is making more than \$25,000.00 on their taxable income they pay from the first \$1 on the percentage in question. That would change page 1, line 17, we would remove that word "exceeding" and then on the next line, \$25,000.00 That would solve that first problem. Page 1, line 23, we would change the word "7 to 13%". That would then not hold any cities at risk of not having the money to help enforce gaming regulations that they get involved in.

Chairman Cook -- That is going to change the fiscal note.

Senator Oehlke -- It possibly will.

Chairman Cook -- We'll take this up on Monday. Please take this up with Kathy.

Senator Triplett -- Are you talking about Katheryn Strombeck just now? Someone else in the office of attorney general, Kathy Rold did this, actually. That might make it easier and quicker.

2015 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Lewis and Clark Room, State Capitol

SB2202
2/9/2015
Job #23476

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Alisa Grove

Explanation or reason for introduction of bill/resolution:

Committee work

Minutes:

Attachment #1

Chairman Cook opened the committee work on SB2202.
Do you want to move your amendment?

Senator Oehlke -- Yes, I need a copy. I took all of mine upstairs to do some research. The proposed amendment to 2202, as yet unnumbered, all it does is change that the first \$25,000 of income for a gaming operation would not be taxed if that is all they made. If there's a non-profit out there that is making \$125,000 in gross receipts, they would pay a tax on all of that, from \$1. If you've got a bar out there and the fire department's got pull tabs in there and they only make \$20,000/year gross proceeds, they are the ones that would avoid the tax. And it changes line 1, page 23, it changes the number 7 to 13 and that increases the percentage of dollars that goes back to the political subdivisions so that they can do their crime stopper activities.

Senator Oehlke -- I would move that amendment. **(Senator Oehlke's amendment presented as attachment on 2-4-2015.)**

Senator Bekkedahl seconded.

Senator Triplett -- Sometimes I am not entirely sure if we're doing welfare in this committee or if we're doing tax policy, but the notion of letting the small people off the hook just because they are small, I have mixed feelings about it because they are probably also the ones who don't have adequate staff and they are the ones who cause more problems for law enforcement than some of the larger well-regulated ones. If we are supposed to be a tax committee here and not a welfare committee and we're supposed to be providing consistent tax policy, I like the part that increases the 7 to 13 in terms of the amount going to the attorney general for the crime fighting piece but I'm not sure that I like the piece that gives the special exemption for the small ones. I'm not sure that it is good tax policy. Senator Oehlke, do you want to tell me why I am wrong?

Senator Oehlke -- The only argument would be is that it allows a few more dollars that are going to go back to the needs of that particular charity. And, there's no need to increase it to 13, if you are getting rid of the amendment.

Chairman Cook -- Senator Triplett, the 13 goes to the attorney general's office but I believe that then it is appropriated to local government, correct, Senator Oehlke?

Senator Oehlke -- Correct.

Chairman Cook calls for roll call vote to adopt amendment.

Roll Call 6-1-0,

Chairman Cook -- And that does lower the fiscal note, the previous amendment, did slightly.

Senator Oehlke -- That's correct.

Chairman Cook -- My concern, when I first saw this bill, was how much revenue is left? I've never been a real big fan of gambling but, if we're going to have gambling, I would argue that charitable gambling is the best gambling that we have. But I also believe, strongly, that whatever gaming you do have, there ought to be revenues generated from the gaming to make sure that there is enforcement. We're getting to the point where that is getting close to not being the case. These amendments would just designate that all the revenue goes into a special fund, gaming regulation and enforcement fund, and they are appropriated on a continuing basis to the attorney general for the purpose of gaming regulation. That is so that we always will be assured that revenue generated from charitable gaming is there to cover the enforcement costs. I've run this by appropriations. They know it is coming. What they do with this amendment is going to be determined down there. I would welcome a motion to move these amendments.

Senator Triplett -- So moved.

Senator Unruh -- Seconded

Senator Laffen -- Where does the revenue go?

Chairman Cook -- Right now the revenue goes to the general fund and then there is a general fund appropriation, a line item in the attorney general's budget.

Roll call on amendments 6.01001. 7-0-0. (Attachment #1)

Chairman Cook -- We have before us SB2202 as amended, twice. Is there a motion for a do pass and rerefer to appropriations?

Senator Bekkedahl -- So moved.

Senator Oehlke -- Seconded

Senator Triplett -- Just to clarify my previous comments, in case anyone misunderstood me, I do agree with reducing the tax down to the $\frac{3}{4}\%$ for everybody. My only concern was the tax policy piece of exempting that first \$25,000. In terms of the overall bill, I am in favor.

Chairman Cook -- Still a long ways to go, Senator Triplett. We might get where you want to be yet.

Roll call vote on a do pass, as amended, and rerefer on SB2202. 7-0-0

Carrier: Senator Oehlke

Chairman Cook closed the committee work on SB2202.

Proposed Amendments to Senate Bill No. 2202

Page 1, line 17, remove "exceeding"

Page 1, line 18, remove "twenty-five thousand dollars"

Page 1, line 23, replace "seven" with "thirteen"

Renumber accordingly

February 4, 2015

PROPOSED AMENDMENTS TO SENATE BILL NO. 2202

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 6, after "allocations" insert "**- Continuing appropriation**"

Page 1, line 21, overstrike "the general" and insert immediately thereafter "a special"

Page 1, line 22, after "treasury" insert "designated as the gaming regulation and enforcement fund. All moneys in the gaming regulation and enforcement fund are appropriated on a continuing basis to the attorney general for the purpose of gaming regulation and enforcement"

Renumber accordingly

70
2/9/15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2202

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 6, after "allocations" insert "**- Continuing appropriation**"

Page 1, line 17, remove "exceeding"

Page 1, line 18, remove "twenty-five thousand dollars"

Page 1, line 21, overstrike "the general" and insert immediately thereafter "a special"

Page 1, line 22, after "treasury" insert "designated as the gaming regulation and enforcement fund. All moneys in the gaming regulation and enforcement fund are appropriated on a continuing basis to the attorney general for the purpose of gaming regulation and enforcement"

Page 1, line 23, overstrike "seven" and insert immediately thereafter "thirteen"

Renumber accordingly

Date: 2-9-15Roll Call Vote #: 1

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 2202**

Senate Finance and Taxation Committee☐ SubcommitteeAmendment LC# or Description: Sen Oehlke's Amendment of 2-4-15

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____Motion Made By Sen. Oehlke Seconded By Sen. Bekkedahl

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	✓		Senator Connie Triplett		✓
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 6 No 1Absent 0

Floor Assignment _____

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

Date: 2-9-15Roll Call Vote #: 2

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 2202**

Senate Finance and Taxation Committee☐ SubcommitteeAmendment LC# or Description: 15.0716.01001

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____Motion Made By Sen. Triplett Seconded By Sen. Unruh

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	✓		Senator Connie Triplett	✓	
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 7 No 0Absent 0

Floor Assignment _____

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

Date: 2-9-15Roll Call Vote #: 3

**2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO 2202**

Senate Finance and Taxation Committee☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☒ Rerefer to Appropriations
☐ Place on Consent Calendar
 Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sen Bekkedahl Seconded By Sen. Oehlke

Senators	Yes	No	Senators	Yes	No
Chairman Dwight Cook	✓		Senator Jim Dotzenrod	✓	
Vice Chairman Lonnie Laffen	✓		Senator Connie Triplett	✓	
Senator Brad Bekkedahl	✓				
Senator Dave Oehlke	✓				
Senator Jessica Unruh	✓				

Total (Yes) 7 No 0Absent 0Floor Assignment Sen Oehlke

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

REPORT OF STANDING COMMITTEE

SB 2202: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2202 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 6, after "allocations" insert "- Continuing appropriation"

Page 1, line 17, remove "exceeding"

Page 1, line 18, remove "twenty-five thousand dollars"

Page 1, line 21, overstrike "the general" and insert immediately thereafter "a special"

Page 1, line 22, after "treasury" insert "designated as the gaming regulation and enforcement fund. All moneys in the gaming regulation and enforcement fund are appropriated on a continuing basis to the attorney general for the purpose of gaming regulation and enforcement"

Page 1, line 23, overstrike "seven" and insert immediately thereafter "thirteen"

Renumber accordingly

2015 SENATE APPROPRIATIONS

SB 2202

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2202
2/16/2015
Job # 23920

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Wes E. Berg for Alvin DeBore

Explanation or reason for introduction of bill/resolution:

A BILL relating to gaming and excise taxes; to provide a continuing appropriation; and to provide an effective date.

Minutes:

Attachment:

Chairman Holmberg called the committee to order on Monday, February 16, 2015 at 3:00 pm in regards to SB 2202. All committee members were present. . Chris Kadrmas, Legislative Council and Nick Creamer, OMB were also present.

Chairman Holmberg: our role today is to look at the dollar amounts, not to discuss policy.

Senator Oehlke, District 15, introduced the bill; it reduces taxes for nonprofits that are dealing with gaming. In terms of the dollars make sure the dollars that are taxed go into a special fund so the attorney general's office always has the funds to do the investigating and auditing the criminal activities that occasionally go on in the gaming industry. He explained the bill and the fiscal note. The fiscal note indicates a reduction in general fund dollars of \$6M, the tax itself becomes leveled tax of $\frac{3}{4}$ of 1% on any gaming income. If you gross more than \$25,000 from a gaming operation you will be taxed on every dollar that comes in. If you raise less than \$25K you are going to avoid having to pay that $\frac{3}{4}$ of 1% tax.

Chairman Holmberg what happening out there is there income going down?

Senator Oehlke: the income isn't going down for these nonprofits; they will be able to put out more dollars to help more people. The dollars they put out to help people probably saves the state from having to do the same thing on the other end.

Senator Kilzer is smoking or nonsmoking a factor in people going to the gaming establishments? Who urged you to submit this bill?

Senator Oehlke: I am guessing it is not a huge issue at this point, it didn't come up in our discussions this session. This was brought to me by Ken Tuppa, representing the Gaming Association.

Senator Carlisle: there is a continuing appropriation, was there a reason it was put into this bill?

Senator Oehlke: the reason for the continuing appropriation is the taxable income goes to the attorney general's office continuously so they are sure to have money to monitor gaming activities

Senator Robinson: I had calls from cities that previously supported reduction in the gaming tax, they have tight budgets, and they are encouraging us to hold the line, at least this session. What can you tell us about the impact on the cities and didn't we reduce these two years ago?

Senator Oehlke: on top of page 2 line1 the adjustment for the attorney general takes 13% rather than 7% of the total taxes and that goes back to the communities. They are kept even in this scenario. Previously we had reduced this tax it has been one of the stair stepping type taxes through the years, the more you make the more you get taxed. Why should they be paying more? If you are going to have gaming in your community this is a nice way to provide the services to the locals.

Senator Robinson the cities are held harmless in this?

Senator Oehlke: yes, line on top of page 2, the gaming tax allocation fund, gets distributed to cities. Was increased from 7 to 13 to accommodate the reduction thus avoiding that stair stepping

Chairman Holmberg we will close the hearing on SB 2202.

Senator Sorvaag moved do pass.

Senator Carlisle seconded.

Senator Mathern there was discussion whether it actually holds harmless the cities.

Senator Robinson: their legal counsel says the cities will not be held harmless, they will have a reduction. I am bit confused.

Chairman Holmberg anyone from the cities, the tax department the attorney general's office.

Tom Trenbeath, Atty. General: I don't think there is anything in here that guarantees a hold harmless situation; it doubles the percentage to the cities. If that results in an equal dollar amount I don't know, it depends on a lot of other factors.

Chairman Holmberg if it is possible we pass this, those cities will be in the House in force.

Todd Kranda, attorney, lobbyist charitable gaming association. It is correct. What would hold harmless, raising the 7% to the 13% would do that. Bring in the same revenue, so this does not affect the local jurisdictions.

Senator Robinson: would we not be better if we had some language to ensure this? I will oppose it if not.

Todd Kranda: we are just raising the payout; I think it is fairly accurate and consistent. (11.28)

Senator Robinson: we are also hearing there is no guarantee.

Chairman Holmberg: was there any guarantee in the current language?

Todd: I am not sure that I'm uncomfortable that is why we changed the figure. I am relying on the attorney, general's figures. I don't think there is any more guarantee as before.

Chairman Holmberg did you want us to hold so you can do more thinking

Senator Robinson: can we hold until tomorrow morning?

Senator Heckaman: I have question on original bill, on the 2nd page lines 6 through 9, if my city or county was supposed to get under \$199 apparently under this they don't get anything and that amount is going to be distributed to other cities for the quarter.

Chairman Holmberg: that's current law.

Senator Heckaman what is the reason for that in the original part of the bill?

Chairman Holmberg: it's probably number.

Senator Heckaman why wouldn't they hold?

Tom: that is not the office of attorney general, but the legislature.

Senator O'Connell: charitable gambling only allows one source of gambling, what about horse racing?

Tom: I don't know if more than one. We don't want to run horse racing.

Senator Heckaman: could Chris investigate when on, page 2, line 6 through 9, 2000 version of the bill; and what the intent was

Chairman Holmberg closed the hearing on SB 2202

2015 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

SB 2202
2/17/2015
Job # 23944

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature	
---------------------------	--

Explanation or reason for introduction of bill/resolution:

A BILL relating to gaming and excise tax

Minutes:

--

Chairman Holmberg called the committee to order on Tuesday, February 17, 2015 in regards to SB 2202.

Senator Sorvaag moved a Do Pass. 2nd by **Senator Carlisle**.

Discussion:

Senator Robinson: I did follow up and I appreciate you holding it over. It was just a question and we wanted to make certain we had it right and we got a green light to go ahead. The cities are in support of the bill as it's written.

Chairman Holmberg: Would you call the roll on a Do Pass on SB 2202.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.

Chairman Holmberg: The motion carried and Senator Oehlke will carry the bill.

The hearing was closed on SB 2202.

Date: 2-17-15
Roll Call Vote #: _____

2015 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2202

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Sorvaag Seconded By Carlisle

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No _____

Absent _____

Floor Assignment Oehlke

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

REPORT OF STANDING COMMITTEE

- **SB 2202, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)**
recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2202 was placed on the Eleventh order on the calendar.

2015 HOUSE FINANCE AND TAXATION

SB 2202

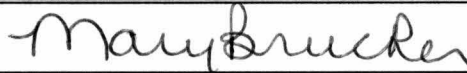
2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

SB 2202
3/16/2015
24872

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to gaming and excise taxes.

Minutes:

Attachment #1, 2, 3

Chairman Headland: Opened hearing.

Senator Oehlke: This bill was initially presented to take any gaming organization that grossed \$25,000 or more and charge them a $\frac{3}{4}$ of a percent tax all the way to whatever their maximum. If there was a gaming organization, a nonprofit, that didn't reach that \$25,000 level then they didn't have a tax under this. In our senate finance and tax committee we amended that bill to make sure that the attorney general's office that enforces gaming laws would have enough money to make it work. We created a special fund for the attorney general and put 13% of that gaming tax money in that fund. The people who determine the fiscal note figured the amount of money that was enough to put into a special fund and make sure it always has enough money to handle the gaming enforcement activities.

Chairman Headland: Doesn't the attorney general have his budget that also provides him with this oversight money? Why do we take it out of this general fund?

Senator Oehlke: On the top of page two it was previously 7% that was allocated to that end to provide for gaming enforcement. We changed it to 13% because we know there is going to be an overall tax reduction if we reduce that to three quarters of a percent. The amendment was to create a special fund so that we would be sure to have gaming enforcement money.

Chairman Headland: Is there any support?

Todd Kranda, attorney for Kelsch, Kelsch, Ruff and Kranda: Distributed testimony. See attachment #1. (Ended testimony at 8:15)

Representative Steiner: I have concerns on the special funds because the more special funds we have the more difficult it is to move money when you need to move money. Does

this bill have to have a special fund set up? Can't we just go with the budget items in his budget? Is it in general fund currently?

Todd Kranda: Our amendment didn't actually create a special fund; I'm not sure where that came from. I don't think that matters one way or another.

Chairman Headland: The intent is just to provide the charities with more money in taking more money from the state's portion of the collected tax.

Todd Kranda: That is an accurate description of what this bill will do. It reduces the tax that goes to the state from the gaming entities. This leaves additional monies available for the entities of charitable gaming to contribute to those special and unique types of charitable purposes on this outline.

Chairman Headland: Do we know how much total revenue goes to the benefit of charities from gaming?

Todd Kranda: 2014 fiscal numbers are on here. The numbers that show all contributions was \$18,282,492 and that was contributed to all the various charitable purposes across the state.

Representative Haak: Who decides what you charge to let somebody play these games? Is that all regulated?

Todd Kranda: That's pretty well regulated; it's under statute. You passed HB 1161 which talked about blackjack. We had a \$1 minimum limit on that bill and you were allowing us to go anywhere from \$1 to \$3. If they aren't by statute then the attorney general's office has administrative code provisions explaining what the limits are. They are highly regulated and closely monitored.

Chairman Headland: Is there further testimony in support?

Janelle Mitzel, Development Homes Incorporated: Distributed testimony. See attachment #2. (Ended testimony at 16:13)

Chairman Headland: Are revenues from gaming increasing or are they fairly level?

Janelle Mitzel: It depends on the part of the state. In western North Dakota there is certainly an increase but in other parts of the state the markets are a little flat if not decreasing.

Jon Jorgensen, Sharehouse Incorporated: Distributed testimony. See attachment #3. (Ended testimony at 20:00)

Chairman Headland: What portion of gaming is used to cover your budget?

Jon Jorgensen: I would say it would be somewhere in the 10-20 percent. Sister's Path doesn't receive any state funding; that has been running in the red for about \$200,000 a

year since its inception. That is almost all from gaming proceeds to try and run that program.

Chairman Headland: Is there further support? Is there any opposition? Seeing none we will close the hearing on SB 2202.

2015 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Fort Totten Room, State Capitol

SB 2202
3/16/2015
24903

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

May Brucher

Explanation or reason for introduction of bill/resolution:

A bill relating to gaming and excise taxes.

Minutes:

No attachments.

Representative Dockter: I am one of the co-sponsors but with our fiscal situation I don't think I can support this bill. **Made a motion for a do not pass.**

Representative Steiner: Seconded.

Roll call vote: 10 yes 4 no 0 absent

Motion carried for a do not pass.

Representative Kading will carry this bill.

Date: 3-16-15Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2202**

House Finance and Taxation Committee☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Dockter Seconded By Rep. Steiner

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN HEADLAND	✓		REP HAAK		✓
VICE CHAIRMAN OWENS	✓		REP STRINDEN		✓
REP DOCKTER	✓		REP MITSKOG		✓
REP TOMAN	✓		REP SCHNEIDER		✓
REP FROSETH	✓				
REP STEINER	✓				
REP HATLESTAD	✓				
REP KLEIN	✓				
REP KADING	✓				
REP TROTTIER	✓				

Total (Yes) 10 No 4Absent 0Floor Assignment Rep. Kading

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

REPORT OF STANDING COMMITTEE

SB 2202, as engrossed: Finance and Taxation Committee (Rep. Headland, Chairman)
recommends **DO NOT PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed SB 2202 was placed on the Fourteenth order on the calendar.

2015 TESTIMONY

SB 2202

#1

Testimony in Support of SB 2202
Senate Finance and Taxation Committee
January 27, 2015

Chairman Cook, Senate Finance and Taxation Committee members, my name is Todd D. Kranda. I am an attorney with the law firm of Kelsch Kelsch Ruff & Kranda in Mandan and I appear before you today as a lobbyist on behalf of the Charitable Gaming Association of North Dakota (CGAND) to express support for SB 2202.

Initially I would like to provide you with some brief background information on CGAND which is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs to small charitable gaming organizations in all regions of North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes."

Individuals from CGAND and its member organizations are here this morning to testify in support of SB 2202 and explain the need for and impact of this legislation. However, before they do I would like to briefly identify the change that is being requested in SB 2202, a proposed amendment and some additional information.

The primary change within SB 2202 is the reduction of the gaming tax that is being applied to the total gross proceeds received by a licensed charitable organization. Currently, there is a two-tiered rate of 1% for organizations with gross proceeds up to \$1.5M and then for organizations with gross proceeds exceeding \$1.5M an amount of \$15K plus 2.25% of the gross proceeds in excess of \$1.5M. The intent of SB 2202 was to establish a single gaming tax rate of 0.75% for licensed organization that have greater

1.2
SB 2202
1.27.15

than \$25K in gross proceeds and no tax for organizations under \$25K in gross proceeds.

SB 2202 needs an amendment to accomplish that intent. As currently drafted the first \$25K for all licensed organizations is exempt from the gaming tax and that was not the original intent. The Proposed Amendment attached revises SB 2202 to accomplish the original intent and reduce the Fiscal Note to provide sufficient revenues to cover the operations of and enforcement expenses for the Attorney General's Gaming Division.

I have attached an outline that was prepared previously by the Director of the North Dakota Attorney General Gaming Division showing the History on Gaming Taxes through 2007 and I included an Addendum for the past three Legislative Sessions.

There are numerous benefits from and worthy causes supported by charitable gaming. SB 2202 will help assist and provide the needed financial support for the various worthwhile programs, services and causes that are supported by charitable gaming. For your reference I have included a handout with a Summary of Eligible Use Contributions for the 2014 Fiscal Year. This information was obtained from the ND Attorney General Gaming Division.

In conclusion, on behalf of CGAND I ask for your favorable consideration of this legislation and in doing so, I also ask for your support of the local charities that would benefit from this legislation. As stated others are here from the charitable gaming industry to testify and respond to any specific questions. However, I would be willing to try answer any questions at this time.

Please give **SB 2202** a favorable **DO PASS** recommendation.

**PROPOSED AMENDMENTS TO
SENATE BILL NO. 2202**

1.3
SB2202
1-27-15

Page 1, line 17, remove "exceeding"

Page 1, line 18, remove "twenty-five thousand dollars"

Renumber accordingly

History of Gaming Taxes
January 21, 2009

Prepared by the Office
of Attorney General

1.4
SB 2202
1-27-15

1977

Gaming tax established at 3% of adjusted gross proceeds.

1979

Gaming tax rate increased from 3% to 5% of adjusted gross proceeds.

1983

The gaming tax rate changed from 5% of adjusted gross proceeds to 5% on the first \$600,000 of adjusted gross proceeds and 20% on adjusted gross proceeds over \$600,000 per quarter.

1989

The gaming tax rate was changed to 5% up to \$200,000, 10% on \$200,000 up to \$400,000, 15% on \$400,000 up to \$600,000, and 20% on amounts over \$600,000 on adjusted gross proceeds per quarter. In addition, a 2% excise tax was imposed on pull tab gross proceeds and sales tax was imposed on bingo cards.

1993

The excise tax on pull tab gross proceeds was increased from 2% to 4½%.

2001

The 4½% excise tax on pull tab gross proceeds was eliminated for organizations whose gross proceeds did not exceed \$4,000 for a quarter.

2007

Sales tax was no longer imposed on bingo cards but it was replaced with a 3% excise tax on the gross sales of bingo cards.

Addendum Regarding
History of Gaming Taxes

1.5
SB2202
1.27.15

Prepared by the
Kelsch Kelsch Ruff &
Kranda Law firm

2009

The excise tax for licensed charitable organizations was reduced from 4.5% to 3% of the total gross proceeds from the sale at retail of pull tabs which was the same rate applied for the sale of bingo card.

2011

All gaming taxes were consolidated into single tax rates which ranged from 1% to 2.5% based on a licensed organizations gross proceeds.

2013

A two-tiered gaming tax rate was established at 1% for organizations with gross proceeds up to \$1.5M and then for organizations with gross proceeds exceeding \$1.5M an amount of \$15K plus 2.25% of the gross proceeds in excess of \$1.5M.

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 1
01/20/15 13:07:11

Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
A-02	THE ABUSED	115,821	0.6
A-03	ALCOHOL AND DRUG ABUSE	6,126	0.0
A-04	ANIMAL PROTECTION	10,537	0.1
A-05	ALZHEIMERS	4,146	0.0
A-07	THE BLIND	14,911	0.1
A-08	CANCER	122,118	0.7
A-11	CYSTIC FIBROSIS	263,877	1.4
A-12	DIABETES	12,500	0.1
A-15	THE DISABLED	130,685	0.7
A-18	HEART DISEASE	4,250	0.0
A-20	LEARNING DISABILITIES	1,650	0.0
A-24	MENTAL HEALTH	304,302	1.7
A-25	MULTIPLE SCLEROSIS	50	0.0
A-26	MUSCULAR DYSTROPHY	1,825	0.0
A-27	THE NEEDY	159,796	0.9
A-28	PARALYSIS	1,250	0.0
A-29	DEVELOPMENTALLY DISABLED CITIZENS	1,078,708	5.9
A-30	SENIOR CITIZENS	211,031	1.2
A-32	TERMINALLY ILL	43,270	0.2
A-36	WILDLIFE	418,532	2.3
A-37	YOUTH ACTIVITIES	3,986,968	21.8
A-46	ADULT ACTIVITIES	250,424	1.4
A-47	HEAD INJURIES	3,125	0.0
A-58	HOME ON THE RANGE	22,980	0.1
A-61	MARCH OF DIMES	1,550	0.0
A-64	MEALS ON WHEELS	8,920	0.0
A-65	MEDICAL FACILITIES NON-PROFIT	158,780	0.9
A-67	MEMORIAL FUNDS	5,855	0.0
A-70	NURSING HOMES NON-PROFIT	55,327	0.3
A-80	RONALD MCDONALD HOUSE	5,500	0.0
A-81	RED CROSS	650	0.0
A-82	SALVATION ARMY	13,150	0.1
A-88	SPECIAL OLYMPICS	142,269	0.8
A-90	DISASTER RELIEF ORGANIZATIONS	6,110	0.0
A-91	UNITED FUND/UNITED WAY	4,000	0.0
A-94	YMCA/YWCA	8,075	0.0
A-97	VOLUNTEER SERVICES	18,740	0.1
A-99	OTHER	68,663	0.4

Subtotal Of Contributions: \$7,666,471 Percent to Grand Total: 41.9%

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4132202
1-27-15

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 2
01/20/15 13:07:11

Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
B-10	RELIGIOUS USES	284,130	1.6
Subtotal Of Contributions:		\$284,130	Percent to Grand Total: 1.6%

Eligible Code	Description	Check Amount	% of Grand Total
C-10	AGRICULTURE	24,655	0.1
C-20	THE ARTS	389,556	2.1
C-25	EDUCATIONAL PUBLIC SERVICES	942,491	5.2
C-30	SAFETY	22,700	0.1
C-40	4-H ACTIVITIES	35,758	0.2
C-50	EDUCATIONAL INSTITUTIONS AND A	1,118,192	6.1
C-75	PERSERVATION OF CULTURAL HERIT	384,102	2.1
C-80	SCHOLARSHIPS	1,269,463	6.9
C-90	VOCATIONAL WORKSHOPS	10,628	0.1
C-99	OTHER	20,762	0.1
Subtotal Of Contributions:		\$4,218,307	Percent to Grand Total: 23.1%

Eligible Code	Description	Check Amount	% of Grand Total
D-10	CAMP GRASSICK	7,989	0.0
D-20	FRATERNAL FOUNDATIONS	129,182	0.7
D-30	LEGION BASEBALL	334,441	1.8
D-40	VETERAN'S CEMETARY	32,685	0.2
D-50	DISABLED OR INJURED VETERANS A	73,479	0.4
D-60	MILITARY FAMILY SUPPORT	49,145	0.3
D-99	OTHER	26,161	0.1
Subtotal Of Contributions:		\$653,082	Percent to Grand Total: 3.6%

SB 2202
1-2-1.15
#1.7

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 3
01/20/15 13:07:11

Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
E-10	SCOUTING ACTIVITIES AND BOYS O	77,436	0.4
E-30	COMMUNITY BANDS, COLOR AND HONOR GUARDS, FLAG	380,265	2.1
E-99	OTHER	14,251	0.1
Subtotal Of Contributions:		\$471,952	Percent to Grand Total: 2.6%

Eligible Code	Description	Check Amount	% of Grand Total
F-10	ERECTION OR MAINTENANCE OF PUB	362,562	2.0
Subtotal Of Contributions:		\$362,562	Percent to Grand Total: 2.0%

Eligible Code	Description	Check Amount	% of Grand Total
G-10	COMMUNITY EMERGENCY SERVICES	921,870	5.0
G-15	DISBURSEMENTS DIRECTLY TO A CI	355,051	1.9
G-25	IMPROVEMENT OF PUBLIC AREAS	146,969	0.8
G-50	PARKS AND RECREATION	1,417,552	7.8
G-60	LAW ENFORCEMENT	32,194	0.2
G-99	OTHER	29,200	0.2
Subtotal Of Contributions:		\$2,902,836	Percent to Grand Total: 15.9%

Eligible Code	Description	Check Amount	% of Grand Total
H-00	LOSS OF THE HOME VICTIMS	17,031	0.1
Subtotal Of Contributions:		\$17,031	Percent to Grand Total: 0.1%

1.8
\$B2202
1-27-15

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 4
01/20/15 13:07:11

Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
I-00	SUFFERERS OF SERIOUS DISABLING	271,248	1.5
Subtotal Of Contributions:		\$271,248	Percent to Grand Total: 1.5%

Eligible Code	Description	Check Amount	% of Grand Total
K-10	ECONOMIC DEVELOPMENT	384,614	2.1
K-30	TOURISM	738,067	4.0
K-99	OTHER	312,192	1.7
Subtotal Of Contributions:		\$1,434,873	Percent to Grand Total: 7.8%

Eligible Code	Description	Check Amount	% of Grand Total
V-00	VOIDED CHECK	0	0.0
Subtotal Of Contributions:		\$0	Percent to Grand Total: 0.0%

Total Of All Contributions: \$18,282,492

--- End of Report ---

1.9
\$18,282,492
1.27.15

SENATE BILL 2202

#2

SENATE FINANCE & TAX COMMITTEE TESTIMONY SUBMITTED BY JANELLE MITZEL JANUARY 27TH, 2015

DEVELOPMENT HOMES, INC:

- Nonprofit in Grand Forks providing community based support services to persons with disabilities
- Residential Services including seven groups homes and independent living settings
- Vocational Services including job training and placement
- Family Services including respite care and in-home support
- Approximately 200 children and adults served through all stages of life
- 11th largest employer in Grand Forks, employing approximately 450 people

GAMING TRUST REVENUE:

- Provides financial funds necessary to supplement new projects, such as bricks & mortar
- Specialized adaptive equipment for persons served
- Urgent/Crisis Care needs for persons served
- Basic Care Needs, such as eyeglasses, shoes, clothing
- Specialized training for professional staff including nurses and social workers
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, and substance abuse and mental health professional facilitators

TAXES:

- In 2013 DHI paid over \$173,000 in gaming taxes to the state of North Dakota.
- In 2014 DHI will pay over \$181,000 in gaming taxes to the state of North Dakota.

CHARITABLE GAMING TAX COLLECTION

Tax Estimations

Estimated Taxes 2013 - 2015 Biennium \$6.3 million

Estimated Tax at $\frac{3}{4}\%$ of Gross Sales per biennium \$4.1 million

Gaming Division Operating Costs per biennium \$4.0 million

DEVELOPMENT HOMES INC.

2013 Taxes Paid **\$173,000** Tax at .75% **\$67,000** Savings **\$106,000**
Two different tax structures in 2013

2014 Taxes Paid **\$181,000** Tax at .75% **\$85,000** Savings **\$96,000**

DHI would appreciate your support today to continue providing critical services to the most vulnerable citizens of our state.

January 27, 2015

Senate Finance and Taxation Committee

SB 2202

CHAIRMAN COOK AND MEMBERS OF THE COMMITTEE:

For the record my name is Blake Crosby. I am the Executive Director of the North Dakota League of Cities representing the 357 cities across the State.

I would draw your attention on the fiscal note to Section 3; subsection A, the explanation of revenue amounts. You will see the need for a 14.3% gaming tax payback as necessary to continue providing \$510,000 for gaming enforcement. In the 1989-91 biennium the amount for gaming enforcement grants was \$1.36 million. It has been eroded over the years by \$850,000 to less than one-half the original amount as you can see today.

We would like to see that funding level restored for those enforcement grants. Some cities hire a gaming auditor to enforce gaming rules, who help make sure the city and state is receiving the correct amount of revenue.

THANK YOU FOR YOUR TIME AND CONSIDERATION. I will try to answer any questions.

Senate Finance and Taxation Committee**Senate Bill 2202****City of Fargo Legislative Testimony****January 27, 2015**

Honorable Chairman Cook and members of the Senate Finance and Taxation Committee, the City of Fargo presents this written testimony on Senate Bill 2202. Thank you for the opportunity to be heard. We are neutral on the concept of reduced gaming tax rates as drafted into this bill, however, funds for the enforcement of gaming regulations and activities will be reduced by almost 50% if this bill is approved as drafted.

The City of Fargo has operated a robust and structured gaming tax audit process for many years. As part of this local process we have a professional services contract with a skilled gaming auditor. Funds for this function are partially funded in our General Fund and gaming enforcement grants funds about 50% of our costs. Grant funding has been provided in the past sessions as part of the Attorney General's operating budget most recently at a budgeted level of approximately \$510,000. The fiscal note attached to this bill section 3(B) states that gaming enforcement dollars will drop by \$244,000 if the bill is not amended to protect gaming enforcement appropriations at the current level of funding.

We believe that the gaming industry should continue to be monitored for compliance for State and local tax laws and that it was not the intent of the bill sponsors to cut gaming enforcement grant funds by such a large amount. We would respectfully request that this bill be modified to appropriate not less than the \$510,000 as is currently funded and restore funding for gaming enforcement grants in this session.

Thank you for the opportunity to provide this testimony.

Proposed Amendments to Senate Bill No. 2202

#1
2-4-15

Page 1, line 17, remove "exceeding"

Page 1, line 18, remove "twenty-five thousand dollars"

Page 1, line 23, replace "seven" with "thirteen"

Renumber accordingly

February 4, 2015

#1
2-9-15

PROPOSED AMENDMENTS TO SENATE BILL NO. 2202

Page 1, line 2, after the semicolon insert "to provide a continuing appropriation;"

Page 1, line 6, after "allocations" insert "**- Continuing appropriation**"

Page 1, line 21, overstrike "the general" and insert immediately thereafter "a special"

Page 1, line 22, after "treasury" insert "designated as the gaming regulation and enforcement fund. All moneys in the gaming regulation and enforcement fund are appropriated on a continuing basis to the attorney general for the purpose of gaming regulation and enforcement"

Renumber accordingly

SB 2202
3-16-15
#1 p. 1

Testimony in Support of SB 2202
House Finance and Taxation Committee
March 16, 2015

Chairman Headland, House Finance and Taxation Committee members, my name is Todd D. Kranda. I am an attorney with the law firm of Kelsch Kelsch Ruff & Kranda in Mandan and I appear before you today as a lobbyist on behalf of the Charitable Gaming Association of North Dakota (CGAND) to express support for Engrossed SB 2202.

Initially I would like to provide you with some brief background information on CGAND which is a statewide association of charitable gaming organizations. CGAND has a diverse membership varying from clubs to small charitable gaming organizations in all regions of North Dakota. The mission of CGAND is to "Preserve gaming as a funding source for charitable purposes."

Individuals from CGAND and its member organizations are here this morning to testify in support of SB 2202 and explain the need for and impact of this legislation. However, before they do I would like to briefly identify the change that is being requested in SB 2202, ~~a proposed amendment and some additional information.~~

The primary change within SB 2202 is the reduction of the gaming tax that is being applied to the total gross proceeds received by a licensed charitable organization. Currently, there is a two-tiered rate of 1% for organizations with gross proceeds up to \$1.5M and then for organizations with gross proceeds exceeding \$1.5M an amount of \$15K plus 2.25% of the gross proceeds in excess of \$1.5M. The intent of SB 2202 was to

#1 p.2

establish a single gaming tax rate of 0.75% for licensed organization that have greater than \$25K in gross proceeds and no tax for organizations under \$25K in gross proceeds. The Fiscal Note shows that at the rate proposed there are sufficient revenues provided by the gaming tax to cover the operations of and enforcement expenses for the Attorney General's Gaming Division as well as provide slightly more funds for political subdivisions with grants for local enforcement.

I have attached an outline that was prepared previously by the Director of the North Dakota Attorney General Gaming Division showing the History on Gaming Taxes through 2007 and I included an Addendum for the past three Legislative Sessions.

There are numerous benefits from and worthy causes supported by charitable gaming. SB 2202 will help assist and provide the needed financial support for the various worthwhile programs, services and causes that are supported by charitable gaming. For your reference I have included a handout with a Summary of Eligible Use Contributions for the 2014 Fiscal Year. This information was obtained from the ND Attorney General Gaming Division.

In conclusion, on behalf of CGAND I ask for your favorable consideration of this legislation and in doing so, I also ask for your support of the local charities that would benefit from this legislation. As stated others are here from the charitable gaming industry to testify and respond to any specific questions. However, I would be willing to try answer any questions at this time.

Please give **Engrossed SB 2202** a favorable **DO PASS** recommendation.

House Bill No. 1317
History of Gaming Taxes
January 21, 2009

Prepared by the Office
of Attorney General

1977

Gaming tax established at 3% of adjusted gross proceeds.

1979

Gaming tax rate increased from 3% to 5% of adjusted gross proceeds.

1983

The gaming tax rate changed from 5% of adjusted gross proceeds to 5% on the first \$600,000 of adjusted gross proceeds and 20% on adjusted gross proceeds over \$600,000 per quarter.

1989

The gaming tax rate was changed to 5% up to \$200,000, 10% on \$200,000 up to \$400,000, 15% on \$400,000 up to \$600,000, and 20% on amounts over \$600,000 on adjusted gross proceeds per quarter. In addition, a 2% excise tax was imposed on pull tab gross proceeds and sales tax was imposed on bingo cards.

1993

The excise tax on pull tab gross proceeds was increased from 2% to 4½%.

2001

The 4½% excise tax on pull tab gross proceeds was eliminated for organizations whose gross proceeds did not exceed \$4,000 for a quarter.

2007

Sales tax was no longer imposed on bingo cards but it was replaced with a 3% excise tax on the gross sales of bingo cards.

#194

Addendum Regarding History of Gaming Taxes

Prepared by the
Kelsch Kelsch Ruff &
Kranda Law firm

2009

The excise tax for licensed charitable organizations was reduced from 4.5% to 3% of the total gross proceeds from the sale at retail of pull tabs which was the same rate applied for the sale of bingo card.

2011

All gaming taxes were consolidated into single tax rates which ranged from 1% to 2.5% based on a licensed organizations gross proceeds.

2013

A two-tiered gaming tax rate was established at 1% for organizations with gross proceeds up to \$1.5M and then for organizations with gross proceeds exceeding \$1.5M an amount of \$15K plus 2.25% of the gross proceeds in excess of \$1.5M.

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 1
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Fiscal Year: 2014

Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
A-02	THE ABUSED	115,821	0.6
A-03	ALCOHOL AND DRUG ABUSE	6,126	0.0
A-04	ANIMAL PROTECTION	10,537	0.1
A-05	ALZHEIMERS	4,146	0.0
A-07	THE BLIND	14,911	0.1
A-08	CANCER	122,118	0.7
A-11	CYSTIC FIBROSIS	263,877	1.4
A-12	DIABETES	12,500	0.1
A-15	THE DISABLED	130,685	0.7
A-18	HEART DISEASE	4,250	0.0
A-20	LEARNING DISABILITIES	1,650	0.0
A-24	MENTAL HEALTH	304,302	1.7
A-25	MULTIPLE SCLEROSIS	50	0.0
A-26	MUSCULAR DYSTROPHY	1,825	0.0
A-27	THE NEEDY	159,796	0.9
A-28	PARALYSIS	1,250	0.0
A-29	DEVELOPMENTALLY DISABLED CITIZENS	1,078,708	5.9
A-30	SENIOR CITIZENS	211,031	1.2
A-32	TERMINALLY ILL	43,270	0.2
A-36	WILDLIFE	418,532	2.3
A-37	YOUTH ACTIVITIES	3,986,968	21.8
A-46	ADULT ACTIVITIES	250,424	1.4
A-47	HEAD INJURIES	3,125	0.0
A-58	HOME ON THE RANGE	22,980	0.1
A-61	MARCH OF DIMES	1,550	0.0
A-64	MEALS ON WHEELS	8,920	0.0
A-65	MEDICAL FACILITIES NON-PROFIT	158,780	0.9
A-67	MEMORIAL FUNDS	5,855	0.0
A-70	NURSING HOMES NON-PROFIT	55,327	0.3
A-80	RONALD MCDONALD HOUSE	5,500	0.0
A-81	RED CROSS	650	0.0
A-82	SALVATION ARMY	13,150	0.1
A-88	SPECIAL OLYMPICS	142,269	0.8
A-90	DISASTER RELIEF ORGANIZATIONS	6,110	0.0
A-91	UNITED FUND/UNITED WAY	4,000	0.0
A-94	YMCA/YWCA	8,075	0.0
A-97	VOLUNTEER SERVICES	18,740	0.1
A-99	OTHER	68,663	0.4

Subtotal Of Contributions: \$7,666,471 Percent to Grand Total: 41.9%

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User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 2
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Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
B-10	RELIGIOUS USES	284,130	1.6
Subtotal Of Contributions:		\$284,130	Percent to Grand Total: 1.6%

Eligible Code	Description	Check Amount	% of Grand Total
C-10	AGRICULTURE	24,655	0.1
C-20	THE ARTS	389,556	2.1
C-25	EDUCATIONAL PUBLIC SERVICES	942,491	5.2
C-30	SAFETY	22,700	0.1
C-40	4-H ACTIVITIES	35,758	0.2
C-50	EDUCATIONAL INSTITUTIONS AND A	1,118,192	6.1
C-75	PERSERVATION OF CULTURAL HERIT	384,102	2.1
C-80	SCHOLARSHIPS	1,269,463	6.9
C-90	VOCATIONAL WORKSHOPS	10,628	0.1
C-99	OTHER	20,762	0.1
Subtotal Of Contributions:		\$4,218,307	Percent to Grand Total: 23.1%

Eligible Code	Description	Check Amount	% of Grand Total
D-10	CAMP GRASSICK	7,989	0.0
D-20	FRATERNAL FOUNDATIONS	129,182	0.7
D-30	LEGION BASEBALL	334,441	1.8
D-40	VETERAN'S CEMETARY	32,685	0.2
D-50	DISABLED OR INJURED VETERANS A	73,479	0.4
D-60	MILITARY FAMILY SUPPORT	49,145	0.3
D-99	OTHER	26,161	0.1
Subtotal Of Contributions:		\$653,082	Percent to Grand Total: 3.6%

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User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

Page: 3
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Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
E-10	SCOUTING ACTIVITIES AND BOYS O	77,436	0.4
E-30	COMMUNITY BANDS, COLOR AND HONOR GUARDS, FLAG	380,265	2.1
E-99	OTHER	14,251	0.1
Subtotal Of Contributions:		\$471,952	Percent to Grand Total: 2.6%

Eligible Code	Description	Check Amount	% of Grand Total
F-10	ERECTION OR MAINTENANCE OF PUB	362,562	2.0
Subtotal Of Contributions:		\$362,562	Percent to Grand Total: 2.0%

Eligible Code	Description	Check Amount	% of Grand Total
G-10	COMMUNITY EMERGENCY SERVICES	921,870	5.0
G-15	DISBURSEMENTS DIRECTLY TO A CI	355,051	1.9
G-25	IMPROVEMENT OF PUBLIC AREAS	146,969	0.8
G-50	PARKS AND RECREATION	1,417,552	7.8
G-60	LAW ENFORCEMENT	32,194	0.2
G-99	OTHER	29,200	0.2
Subtotal Of Contributions:		\$2,902,836	Percent to Grand Total: 15.9%

Eligible Code	Description	Check Amount	% of Grand Total
H-00	LOSS OF THE HOME VICTIMS	17,031	0.1
Subtotal Of Contributions:		\$17,031	Percent to Grand Total: 0.1%

#1 p.7

User: DMCDANIE

North Dakota Office of Attorney General
Summary of Eligible Use Contributions

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Fiscal Year: 2014
Quarter: All

Eligible Code	Description	Check Amount	% of Grand Total
I-00	SUFFERERS OF SERIOUS DISABLING	271,248	1.5
Subtotal Of Contributions:		\$271,248	Percent to Grand Total: 1.5%

Eligible Code	Description	Check Amount	% of Grand Total
K-10	ECONOMIC DEVELOPMENT	384,614	2.1
K-30	TOURISM	738,067	4.0
K-99	OTHER	312,192	1.7
Subtotal Of Contributions:		\$1,434,873	Percent to Grand Total: 7.8%

Eligible Code	Description	Check Amount	% of Grand Total
V-00	VOIDED CHECK	0	0.0
Subtotal Of Contributions:		\$0	Percent to Grand Total: 0.0%

Total Of All Contributions: \$18,282,492

--- End of Report ---

#18.8

SB 2202
3-16-15
#2 p.1

SENATE BILL 2202
HOUSE FINANCE & TAXATION COMMITTEE
TESTIMONY SUBMITTED BY JANELLE MITZEL
MARCH 16TH, 2015

DEVELOPMENT HOMES, INC:

- Nonprofit in Grand Forks providing community based support services to persons with disabilities
- Residential Services including seven groups homes and independent living settings
- Vocational Services including job training and placement
- Family Services including respite care and in-home support
- Approximately 200 children and adults served through all stages of life
- 11th largest employer in Grand Forks, employing approximately 450 people

GAMING TRUST REVENUE:

- Provides financial funds necessary to supplement new projects, such as bricks & mortar
- Specialized adaptive equipment for persons served
- Urgent/Crisis Care needs for persons served
- Basic Care Needs, such as eyeglasses, shoes, clothing
- Specialized training for professional staff including nurses and social workers
- Grants to ND communities funding local needs, including police equipment, literacy adaptive equipment and software, drug & alcohol prevention, and substance abuse and mental health professional facilitators

TAXES:

- In 2013 DHI paid over \$173,000 in gaming taxes to the state of North Dakota.
- In 2014 DHI paid over \$181,000 in gaming taxes to the state of North Dakota.

#2p.2

CHARITABLE GAMING TAX COLLECTION

Tax Estimations

Estimated Taxes 2013 - 2015 Biennium \$6.3 million

Estimated Tax at $\frac{3}{4}\%$ of Gross Sales per biennium \$4.1 million

Gaming Division Operating Costs per biennium \$3.5 million

- Attorney General's Gaming Division costs include special fund appropriations over \$500,000 for cities/counties.

DEVELOPMENT HOMES INC.

2013 Taxes Paid **\$173,000** Tax at .75% **\$67,000** Savings **\$106,000**
Two different tax structures in 2013

2014 Taxes Paid **\$181,000** Tax at .75% **\$85,000** Savings **\$96,000**

Development Homes, Inc. would appreciate your support today to continue providing critical services to the most vulnerable citizens of our state.

SB 2202
3-16-15
#3 p. 1

SENATE BILL 2202
SENATE FINANCE & TAX COMMITTEE
TESTIMONY SUBMITTED BY JON JORGENSEN
MARCH 16TH, 2015

SHAREHOUSE:

- ❖ For over 40 years Sharehouse Inc. has served adults and their families challenged by substance abuse and/or mental health disorders
- ❖ Offers residential and outpatient treatment
- ❖ Over 1000 adults cared for and treated last year
- ❖ 89 beds are in Fargo for residential treatment of men and women at Sharehouse or Robinson Recovery Center
- ❖ Sharehouse Sisters Path provides longterm housing and treatment for 12 families of homeless, single/pregnant mothers, and their families.

GAMING TRUST REVENUE USES:

- Operating expenses to treat clients at Robinson Recovery Center
- Operating expenses to treat clients at Sisters Path, which receives no state funding

National Institute of Health Study:

- Estimates a negative economic impact from substance abuse in North Dakota at \$1.45 Billion (lost work productivity, increased health costs, criminal justice costs, and social services costs)
- Estimates a 12 to 1 return on investment for every \$1 spent on treatment

July 1, 2013 – June 30, 2014	Taxes Paid	\$74,500
	Tax at .75%	\$49,800
	Savings	\$24,700



2015 marks the 40th year that ShareHouse has provided chemical dependency services. We have evolved into one of the most respected and trusted dual diagnosis treatment programs in the upper Midwest. Currently we offer residential and outpatient chemical dependency and mental health care services.

Committed to You

We are committed to providing you with timely, consistent, client driven services. We strive to make the admission process effortless. We are one phone call away.

Our Philosophy

In addition to being an evidence based program using the 12 Steps, we are committed to providing the most comprehensive individualized care possible. We have a treatment mall consisting of nearly 100 hours of group options. Our team approach promotes accountability and personal responsibility to all clients within a highly structured program.

Our Services

OUTPATIENT SERVICES

Chemical Dependency Evaluations

- Appointments available Monday – Friday
- No appointment needed on Tuesdays 8:30am – 2:30pm

Chemical Dependency Services

- Partial Hospitalization Treatment (PHP) ASAM 2.5
- Intensive Outpatient (IOP) ASAM 2.1
- Low Intensity Outpatient (LIOP) ASAM 1.0
- Recovery Enhancement Group ASAM 1.0
- Continuing Care ASAM 1.0
- DUI Education Seminars ASAM 0.5
- Minors in Possession (MIP) Education Class ASAM 0.5

Mental Health Services

- Mental Health Diagnostic Assessments
- Individual Therapy
- Group Therapy
- Psychological Testing
- Dialectical Behavioral Therapy (DBT) Skills Training
- Special interest in caring for depression, anxiety/mood disorders, trauma, relationships and borderline personality disorder

RESIDENTIAL CARE

High Intensity (30+ hrs per week) ASAM 3.5

Medium Intensity (15-29 hrs per week) ASAM 3.1 & 2.5

Low Intensity (5-14 hrs per week) ASAM 3.1 & 2.1

All provide:

- chemical dependency treatment
- co occurring treatment
- gender specific programming
- specialty groups - Nearly 100 hours per week of specialty groups are available through our Treatment Mall in order to provide the most useful individualized care. In addition, all ShareHouse clients have access to our mental health team.

Examples of Treatment Mall Specialty Groups:

- Gender Specific Trauma
- Grief & Loss
- Spirituality
- Shame & Resiliency
- Smoking Cessation
- Parenting
- Family
- Yoga
- Men in Early Recovery
- Music Therapy
- DBT
- Co-dependency
- Social Skills
- Body Image
- Cognitive Restructuring

Please refer to www.sharehouse.org for a complete list of Treatment Mall Groups and definitions of their purpose.

Methamphetamine Specific Treatment

In addition to the above listed groups, they also utilize the Matrix Model

Women & Children's Residential Program

- Women with children
- Pregnant Women
- Play therapy for children

Admission Criteria

- Be at least 18 years old
- Not have demonstrated history of violence
- Not have been convicted or charged with a sex offense
- Not be involved in treatment for any diagnosed eating disorder or sex addiction

Professional Staff

ShareHouse is proud to have a team of professional licensed therapists, social workers and addiction counselors with a wide range of expertise. They are committed to offering a personalized approach for each individual, regardless of their past circumstances. In support of our commitment to this profession, ShareHouse serves as a site for intern clinical training experience.

"Over 100 hours per week of specialty groups are available through our Treatment Mall in order to provide the most useful individualized care. In addition, all ShareHouse clients have access to our mental health team at ShareHouse Transitions Mental Health Center."

#3 p 3 Items To Bring

PERSONAL GROOMING ITEMS

- No mouthwash containing alcohol. Please check the label and if one of the first three ingredients are alcohol, we will confiscate it until discharge.
- No products in aerosol cans such as hair spray.
- No perfumes, scented body sprays, etc. ShareHouse facilities are fragrance free.

COMFORTABLE CLOTHING (WE DO NOT PROVIDE HANGERS)

- No alcohol or drug related logos on hats and clothing.
- Guys are to wear belts so no low riding pants.
- Women must wear bras.
- No shorts shorter than the fingertips when arms are relaxed at individual's sides.
- No tops exposing the tummy.
- No low cut tops.
- No tank tops.
- The strap on a top needs to be at least 2 inches wide.
- Work out clothing and tennis shoes for exercising.

LINENS

- Linens are provided, however clients may bring twin sized linens if they prefer.
- Please bring your own pillow. We have discovered individuals sleep better with the pillow they are used to.
- We provide 1 washcloth, hand towel and bath towel. If more are desired, clients may bring additional.
- Laundry is provided free of charge.

ALARM CLOCK

- It is a necessity! Please bring one.

MEDICATIONS

- Clients may bring over the counter medications, such as ibuprofen, vitamins, etc.
- A 30 day supply of any prescription

Accessing Services at ShareHouse

medicines. If a refills are necessary, the client must have money for the co-payment.

- All medications will be kept in the residential office and monitored by the staff.

PHONES

- Bring a phone card for long distance phone calls.
- Cell phones are not permitted.

VEHICLES

- To receive permission to operate a motor vehicle you will need to provide proof of a current insurance, registration and a valid driver's license.

LEGAL IDENTIFICATION

- Clients should bring a picture ID and their social security card

TELEVISION

- Clients may bring a 19" or smaller TV, cable cords and a VCR/DVD.

ITEMS NOT PERMITTED:

- Energy drinks
- Cell phones
- Computers
- Cameras
- Exercise equipment, including weights
- Video gaming systems
- Ecigs

WOMEN & CHILDREN'S RESIDENTIAL

- Car seats/boosters
- Baby items – bottles, diapers, wipes, baby food and formula and Pack-play

SPECIFIC FOR SHAREHOUSE STEPPING STONES

- There is a small refrigerator and microwave in the room.
- Each client has a hotel room for their family so only bare essentials should be brought.



*Cindy Simmer, Director
of Admissions & Referral
Development*

MAKING A REFERRAL:

One Phone Call is all it Takes

Referrals can be made by contacting the Director of Admissions & Referral Development at 701-478-9558 or 701-361-1018 or toll free 877-294-6561. Cindy is available to answer any of your questions regarding ShareHouse.

OUTPATIENT SERVICES

To make an appointment for your client to have a chemical dependency assessment, please call 701-478-8440. No appointment needed on Tuesdays! Every Tuesday, 8:30am – 2:30pm, is 'walk-in day' for clients who need a chemical dependency evaluation. ShareHouse Outpatient is located at 505 40th Street South, Suite B, Fargo, ND.

FUNDING

Prior to providing services or admission, payment or insurance will be pre-authorized if required by your insurance company. We negotiate single episode contracts with provider networks for individual clients.

Our Payment methods include:

- Private Insurances
- Self Pay
- Minnesota host country – Rule 25
- North Dakota MA (Outpatient Clinic Only)
- Minnesota based PMAP's
- Minnesota MA
- North Dakota State Contract



Please call 701-282-6561 or toll free at 877-294-6561 with insurance specific questions.



ShareHouse

Trusted for recovery.

Facility and Program Snapshot



A



B



C

ShareHouse Foundation provides support and resources to ShareHouse and its clients in order for them to achieve their full potential, enhance their quality of life and promote meaningful participation in family and community.

For instance, philanthropic gifts have made it possible to have new mattresses for all residential beds in Fargo; refurbish Stepping Stones; and provide a helping hand to residents on their journey to recovery.

For further information or to make a gift:
www.sharehouse.org



D



E

A. SHAREHOUSE, INC.

4227 9TH AVENUE SOUTH • FARGO, ND
701.282.6561

ShareHouse provides a full range of chemical dependency services to adult men and women. 25 beds for men and 19 beds for women

B. ROBINSON RECOVERY CENTER

4215 9TH AVENUE SOUTH • FARGO, ND
701.478.9554

ShareHouse Robinson Recovery Center has 30 beds for men and 15 beds for women

C. SISTER'S PATH

4219 9TH AVENUE SOUTH • FARGO, ND
701.478.6562

ShareHouse Sister's Path is a program developed in partnership with ShareHouse and Fargo Housing Authority and Beyond Shelter, Inc. This is a permanent supportive housing project that provides chemical addiction treatment services to homeless, single/pregnant mothers and their families. We provide long term housing in addition to the chemical dependency programming. 12 families

D. STEPPING STONES

102 MILLER STREET • NEW YORK MILLS, MN
218.385.2991

ShareHouse Stepping Stones, New York Mills, MN, provides chemical dependency services for pregnant women and women with children. A daycare is provided for the children. 15 families

E. OUTPATIENT SERVICES

505 40TH STREET SOUTH, SUITE B • FARGO, ND
701.478.8440

ShareHouse OutPatient provides outpatient care for adults needing chemical dependency and mental health services.



For 40 years ShareHouse has served adults, and the families of those, challenged by alcoholism, substance abuse, and/or mental health disorders.

Our philosophy of care is based on the understanding that addiction is a chronic disease and that each person needs a personalized treatment plan. Our treatment is based on the 12 step programs, as well as evidence based practices. Since this disease affects the whole family, we also have a family program.

Services ShareHouse provides include Minor in Possession Education; DUI Class; Chemical Dependency and mental health Evaluations; Outpatient Services including a Partial Hospitalization Program; and residential services. Serving men and women over the age of 18, we care for over a thousand people each year. We have residential programs in Fargo as well as New York Mills, MN. With a total of 116 beds, we are the largest residential program in the area.

Funding for addiction services is provided through state contracts, private insurance, self pay and donations. For ShareHouse, the revenue from gaming plays a substantial role in the ability to financially support this work.

Treatment improves the lives of those who directly receive it, their family and friends and our society as a whole. The following statistics prove this point.

- The National Institute of Health states substance abuse costs our Nation over \$600Billion annually. Treatment can help reduce these costs. At \$600 Billion for a country of 300 million, that is \$2,000 per person. With an estimated ND population of 725,000 in 2013, our state has a negative economic impact of \$1.45 Billion (lost work productivity, increased health costs, criminal justice costs and social services cost).
- The same NIH report states for every \$1 spent on treatment, a return on investment between \$4 and \$7 in reduced drug related crime, criminal justice costs and theft. When savings related to healthcare are included, a total savings can exceed costs by a ratio of 12 to 1.
- The Justice Policy Institute in their January 2008 report, stated that increased admissions to drug treatment are associated with lower incarceration rates. Of the 20 states that admit the most people to treatment per 100,000, 19 had incarcerations rates below the national average. Of the 20 states that admitted the fewest people to treatment per 100,000 8 had incarcerations rates above the national average. North Dakota is included in the bottom 10 states averaging 167.05 drug treatment admissions per 100,000 people while incarcerating 436.1 per 100,000 (bottom 10 state average.)