

# 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>Jerrin 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 Heitkamp: 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>Kathleen 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.

There was one question that wasn't answered is how come the budget was put in at \$221,000. That was originally done based on a survey that our office did based on a 28% match by the cities, and that 28% match was eliminated. Actually those dollars should have been higher if that match was not in there.

Chairman Byerly: If this money is disbursed, will it be disbursed on the existing grant system.

Response, Keith Lauer: Yes, it will be done as how the grants were. We had 27 cities that applied out of 321 were receiving previously.

Rep. Carlisle: This sheet provide by Keith Lauer shows that Bismarck and Fargo have the largest amounts requested.

Rep. Koppelman: How many cities totally? Why the drop?

Response, Keith Lauer: There are 27 that applied out of 321 that had been receiving previously. The older formula just paid out money based on the adjusted gross. We sent out the gaming enforcement grant forms to all the cities and counties, but it must not have gotten to the right persons, because now we are still receiving phone calls wondering about the grants. We sent out a number of letters, but they must not have gotten to the right persons.

Rep. Koppelman: Do you have any plans to disburse beyond this plan you gave us.

Response, Keith Lauer: We have sent out the enforcement grant applications. Maybe one of the reasons they did not apply is that we did ask how they were using the money in the past, and a lot of them just put the money into the general fund and couldn't specifically say how it was used, and may have discouraged some from applying.

Rep. Skarphol: It appears that some cities are much more bold about what they ask for than others. What is the logic in giving such different amounts in grants?

Response, Keith Lauer: There is a difference in the way the cities regulate gaming. The city of Fargo has a full time auditor they hired. Prior to any organization getting authorization, they go through their books. They are the only city in the state that does that. The city of Bismarck has a licensing process as does the city of Mandan. They license all gaming employees. The state has discontinued that process, but does do record checks, but we don't issue gaming tags like Bismarck and Mandan does.

Rep. Skarphol: Does the city of Bismarck have a licensing fee to pay costs?

Response, Keith Lauer: Yes. We have in the last 2 years eliminated the \$25 fee that the state charges for the record checks. We participate with the city and get information from them, and we verify, and eliminate the duplication fee to the employee.

Chairman Byerly: If we go back to a formula base, which I think we should anyway, do we get into a situation where we give out lots of little checks to really small towns. Where gaming occurs, that's where the money should go. But won't the little towns get mad at the bigger towns because they take all these funds.

Response, Keith Lauer: If you go back to the old system, you should put in some level of gaming activity before there were any payouts. Otherwise there would not be appropriate dollars for the larger cities and counties that have the bigger needs. You should have some level of activity.

Chairman Byerly: I am concerned that when we start working on the Attorney General's budget and we start dealing with this area for the upcoming biennium, that we start hearing from all the small communities that want a piece of this action. Are you in the office prepared, when we work on this section of your budget, to try to come up with a consensus for distribution.

Response, Keith Lauer: With the grant process, it certainly has forced the cities and counties to justify what they have done in the past. If they came in and said they wanted a piece of this fund, they would have to justify why they need it. Not just to put the funds into their general fund. Maybe they could show some enforcement effort of some kind.

Ralph Mowder, Bismarck Police Department: The application fees charged in Bismarck just cover clerical personnel and photos and licenses themselves. It in no way covers the cost of the gaming officer we employ. We would like to become more proactive and do some on-site inspections that we have not been able to do. We do keep busy in the enforcement area, and have had a number of investigations, and work closely with the Attorney General's office.

Rep. Carlisle: When Connie said something about a gaming ring, is that a group of people inside and outside trying to cheat the system.

Response, Ralph Mowder: There have been instances where gaming employees have had their friends involved in scams, etc.

Connie Sprynczynatyk: You asked about HB 1003 and after discussing this with various persons, I have come up with 4 different amendments prepared. One amends HB 1003, to go back to a payout formula. But Keith is right, if a community doesn't spend much on gaming enforcement there should be a limit. There is less than 100 entities (cities, counties) that would fit into the payback pool on a formula basis. Our thought is to find that spare change in the budget to get that fund for this biennium. She explained her thoughts on her different amendment possibilities. There are lots of ways to fix this. The larger entities do need the larger pool of the fund.

The chairman closed the hearing on this bill.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2050

House Appropriations Committee  
Government Operations Division

Conference Committee

Hearing Date February 6, 2001

Tape Number	Side A	Side B	Meter #
02-06-01 tape #1	1039-1603		
Committee Clerk Signature <i>Arthur Hall</i>			

Minutes:

The committee was called to order, and opened committee work on SB 2050.

Chairman Byerly: This is the gaming grants bill. The recommendation from downstairs is that we act on this bill as we wish.

Rep. Skarphol: My understanding is that the budget section has already committed to do this.

Moves a DO PASS. Rep. Glassheim seconded.

Rep. Koppelman: Could you explain what this bill does. Does it reduce their appropriation for the grants?

Chairman Byerly: No it does not reduce appropriation. It is make up funding in the current biennium. It adds in \$197,714 into the Attorney General's budget, and these municipalities are going to be able to get this money. The Attorney General's office is going to have to use the current program of a grant program to disburse the funds.

Rep. Huether: This is in addition to the \$221,000 appropriated last time.

Page 2

Government Operations Division

Bill/Resolution Number SB 2050

Hearing Date February 6, 2001

Rep. Koppelman: If the communities become aware of how these grants are given and get past their confusion, is there sufficient funds to work?

Chairman Byerly: This should not have any effect on that. This should probably be based on the grant applications that they had for the 221,000. There may be some communities that don't get anything, and they would be the cities that did not respond. Not sure that we should be concerned, that should be for the Attorney General to worry about.

Rep. Carlisle: When we met on the Attorney General's budget, we did discuss this somewhat, and the payout may be addressed later.

Vote on Motion Do Pass, 5 yes, 2 no (Reps. Byerly and Koppelman), Motion carries.

Rep. Carlisle is assigned to carry the bill to the full committee.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2050

House Appropriations Committee

Conference Committee

Hearing Date February 9, 2001

Tape Number	Side A	Side B	Meter #
1	x		0 - 1410
Committee Clerk Signature <i>L L Donhe</i>			

Minutes:

**House Appropriations Action on SB2050.**

**Rep. Timm:** Clerk will call the roll. Quorum is present.

**Sen. Grindberg:** This bill addresses an issue that arose last June during the budget section here at the capital that related to gaming grants and excess tobacco settlement costs, and I'll just read a portion of my testimony to give you an idea of the history and then the request. In the present biennium the Office of the Attorney General requested the Emergency Commission to approve \$197,700 in addition to local gaming enforcement grants that's what occurred last June. If that would have been approved the total amount of the grants would have been \$419,000, the budget section did not approve that request last June and proposed that the Office of the Attorney General preserve that money until it could be appropriated during this legislative assembly, during that process however with the Auditor's Office it was under guidance of the Auditor's Office to move that money on June 30th from the Attorney General's Office back to the General

fund, However the intent is to follow through with putting an emergency clause on this bill and getting the money out to the entities that are interested in this money for law enforcement of gaming grants. That's what the bill does, and as a for your information item, this next biennium there is \$419,500 in the Attorney General's budget for this area, so it matches for the 01-03 biennium if we applied the deficiency payment if you will of this \$197,000, and so its again a result of action last June and its excess money that was left over from the tobacco settlement with the legal case, so with that , I would be happy to answer any questions.

**Rep. Timm:** If I remember correctly, I was at that meeting and there wasn't much sentiment at that budget meeting to provide these extra funds and seems to me, that most of the budget section members thought it really wasn't needed at that time.

**Sen. Grindberg:** My recollection after the meeting was over, that in talking to leadership it was a matter of our intent to distribute this money, but we will wait until the 57th session. I guess that's my take on it.

**Rep. Timm:** Any questions?

**Rep. Gulleson:** Just for my information, I know that we have allotted dollars for gaming enforcement before which didn't come out of the excess tobacco grants, Where did that money come from? Was that not part of the money that was a certain percentage of the gaming proceeds that were directed toward the enforcement grants?

**Sen. Grindberg:** I'll refer to Legislative Council or OMB on this question.

**Rep. Byerly:** The gaming enforcement money comes from the proceeds from the gaming tax, and if you will remember the session the former Attorney General cut the budget for gaming enforcement grants, basically down to \$219,000 I think that it was. If you put in a grant system instead of a percentage system based on revenue from individual locations. We, in the OMB

budget specified that after a considerable discussion that if the Attorney General could find the money within her budget she could make whole the gaming enforcement grant money. She elected instead to try to use money that was not part of her budget, but off budget money, the budget sections disapproved that request to transfer that money, at the time, Chairman Dalrymple of the budget section came up with an amendment that attempted to hold some money from the excess reimbursement from the tobacco lawsuit. State law said that had to be transferred on June 30th, so that money effectively disappeared and this bill is a bill to appropriate money from effectively the ending fund balance general fund dollars.

**Rep. Gulleason:** I remember why the dollars got decreased in the amount that the Attorney General had brought forward with, because she had surveyed the communities, when she was going to switch these back and asked how much did they need. And that was the amount that she put in the proposal.

**Sen. Grindberg:** In the minutes from the budget section meeting, moved by Sen. Opp and Rep. Wald, the intent of the motion was to put this money in gaming grants during this session.

**Rep. Byerly:** I would beg to differ, the attempt was to withhold from that so that we could make a decision in this session of the legislature.

**Rep. Timm:** Any other questions? This bill came out of your section Rep. Byerly any other discussions from your section? What is your recommendation?

**Rep. Byerly:** I think that Sen. Grindberg pretty much covered it, in that they wanted to have this additional money and its our decision whether to do that or not. Our recommendation was a DO PASS, but it certainly wasn't unanimous.

**Rep. Carlisle:** I move a Do Pass on Senate bill SB2050. Seconded by Rep. Koppleman.

**Rep. Timm:** Any discussion?

**Rep. Aarsvold:** What circumstances have changed for us to approve the appropriation of these dollars?

**Rep. Carlilse:** I guess look at it as Sen. Grindberg said, the attempt is as both majority leaders agree with it, the motion was moved by Sen. St. Aubin and seconded by Rep. Wald that the budget section ask the chairman of the council to request the Attorney General's office retain in their general refund fund \$197,714 from the excess tobacco legal costs and recoveries for gaming enforcement, and the money's remain in the Attorney General's refund fund until appropriated by the general assembly, and then the letter that the Attorney General did at the time she transferred the money to general fund as required by law and insuring that the money will be in the general fund an available for appropriating for the gaming enforcement grants, she has not spend that \$197,714. I look at it as the understanding that it was the intent of the interim budget section to hold off until it could be appropriated in the 57th assembly.

**Rep. Aarsvold:** Its seems to me that the previous Attorney General infact deemed it necessary to have this money in her budget for local gaming enforcement grants and we as a budget section chose not to provide that opportunity, and now that we have a new Attorney General and he is of the opinion that he needs those dollars and were going to approve them, is that what were talking about?

**Rep. Byerly:** No that is not the case, in the budget for this coming biennium, is the \$419,581 and it is in the current budget, this a left over from the previous administration, and as I said before the former Attorney General deemed that the \$220,000 was sufficient based on a grant program and this is merely a request from some of these local political subdivisions for additional money, and it is new money based on the budget that we passed last time, and you have to understand that.

**Rep. Delzer:** My recollection of that is the appropriation is not necessarily going to be toward gaming enforcement, the money would be there but would have to be appropriated as a general fund for whatever this legislature decided it should be for, I was a part of that discussion too, and I do not agree with this, and I'd going to vote against this.

**Rep. Kerzman:** What will happen with this money if this bill doesn't go through? Does it go back into the water resource and consul trust fund and so forth, or will it stay in the general fund?

**Jim Smith, Legislative Council:** Its an appropriation from the general fund, so if you don't pass the bill it would stay in the general fund.

**Rep. Glassheim:** I wasn't involved in any of these interim discussions, so there is a lot of history of who is doing what to whom, but our understanding in sub committee is that this was money that was supposed to be given in grants to 10, 12, or 14 local subdivisions, and a number of them only got 50% or 60% of their allocation, and for some reason I don't understand why that some money was put in the general fund from what was recovered from legal fees so now were taking it back out of the general fund to paid the grants that had been essentially obligated but there wasn't enough money to pay them, that's my understanding of what happened, and that these money's would go to complete the grant program , especially Fargo, Bismarck, and there is a number of smaller communities who get a few hundred dollars as well, but that's where the money would go.

**Rep. Byerly:** In the last budget, the former Attorney General appropriated some \$200,000 odd dollars for gaming grants, these political subdivisions came to us and asked for more money, there ensued a long and protracted discussion about it. In the budget, she was given permission to increase the amount of money that was going to go on gaming grants if she could find it in her

Page 6

House Appropriations Committee

Bill/Resolution Number SB2050

Hearing Date February 9, 2001

budget. She did not do that, she could find that in her budget. Every political subdivision got every nickel that was appropriated last time, this is extra and above appropriation for gaming enforcement grants. There will be a new round of grant applications that will come in if this money is made available, but this new money to gaming enforcement for the current biennium.

**Rep. Timm:** Any other discussion? We have motion for a DO PASS on SB2050. Roll call vote will be taken. (7) YES (14) NO. Motion fails, so the only other option here is a motion for a DO NOT PASS. Motion made by Rep. Warner for a DO NOT PASS, Seconded by Rep. Aarsvold. Roll Call vote will be taken for a DO NOT PASS (14) YES (7) NO. Motion passes for a DO NOT PASS. Rep. Byerly will carry the bill to the floor.

**End of Committee Action on SB2050.**



Date: 2/9/01  
 Roll Call Vote #: 1

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 2050**

House APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_  
 or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By WARNER Seconded By AARSVOLD

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman		✓			
Rep - Aarsvold		✓	Rep - Koppelman	✓	
Rep - Boehm		✓	Rep - Martinson	✓	
Rep - Byerly		✓	Rep - Monson		✓
Rep - Carlisle	✓		Rep - Skarphol		✓
Rep - Delzer		✓	Rep - Svedjan		✓
Rep - Glasshelm		✓	Rep - Thoreson	✓	
Rep - Gulleason	✓		Rep - Warner		✓
Rep - Huether	✓		Rep - Wentz		✓
Rep - Kempenich		✓			
Rep - Kerzman		✓			
Rep - Kliniske		✓			

Total (Yes) 7 No 14

Absent 0

Floor Assignment \_\_\_\_\_

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

Date: 2/9/01  
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2050

House APPROPRIATIONS Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO NOT PASS

Motion Made By WARNER Seconded By AARSVOLD

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman		✓			
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman		✓
Rep - Boehm	✓		Rep - Martinson		✓
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle		✓	Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim	✓		Rep - Thoreson		✓
Rep - Gulleon		✓	Rep - Warner	✓	
Rep - Huether		✓	Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 14 No 7

Absent 0

Floor Assignment Byerly

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

2001 TESTIMONY

SB 2050

**Background Information on Local Gaming Enforcement Grants**

Starting July 1, 1983, a certain percent of the gaming taxes collected was paid back to cities and counties each quarter as local gaming enforcement grants. Each city and county received a share of the total grants based on the degree of gaming activity within that city or county compared to the statewide gaming activity.

For the 1983-85 through 1987-89 bienniums, due to growing gaming activity the amount of local gaming enforcement grants automatically increased each biennium from \$1,096,000, to \$1,384,000. The 1989 legislature set the grants at a fixed amount each quarter. For the 1989-91 through 1997-99 bienniums, based on executive budget guidelines the amount of the grants decreased each biennium from \$1,360,000 to \$1,014,155. From 1983 through 1999, there was no accountability on the use of grants by cities and counties.

For the 1999-01 biennium, the amount of local gaming enforcement grants decreased from \$1,014,155 to \$221,877, a reduction of \$792,278. This reduction represented a major part of the budget reduction that the Office of Attorney General had to incur based on executive budget guidelines. The office chose to reduce the grants rather than reduce vital human resources or operating expenses that were already too strained. To assist the cities and counties, the 1999 legislature directed the Emergency Commission to authorize the office to disburse up to \$310,088 in additional grants by making transfers between line items. The legislature also prescribed a grant application process to require cities and counties to apply and account for the use of the grants.

During the present biennium, the Office of Attorney General requested the Emergency Commission to approve \$197,714 in additional local gaming enforcement grants. If approved, the total amount of grants would be \$419,591 (\$221,877 plus \$197,714). The Budget Section of the Commission did not approve the request and proposed that the office preserve the money so the 57<sup>th</sup> Legislative Assembly could specifically appropriate it as grants. However, the office had to transfer the money to the general fund by June 30, 2000, but understood that the 57<sup>th</sup> Legislative Assembly would honor the Budget Section's request and appropriate \$197,714 as grants as an emergency measure. Senate Bill No. 2050 does this.

For the 2001-03 biennium, the executive budget recommendation includes \$419,591 for local gaming enforcement grants.

Cities and counties use local gaming enforcement grants to employ law enforcement officers, purchase equipment and supplies, provide training, issue local permits and work permits, administration, inspect gaming sites, and conduct civil and criminal investigations (including illegal use of drugs, burglaries, thefts, and embezzlements that may indirectly relate to gaming). The involvement of local law enforcement officers on the front line is critical toward achieving effective enforcement of the gaming law and rules.

SB2050

Prepared for:  
Senate Appropriations Committee

**OFFICE OF ATTORNEY GENERAL**  
**Gaming Enforcement Grants**  
**January 16, 2001**

City/County	Amount Requested	Amount Granted Dec. 1999	Percent of Request Funded	Additional Grant Recommend.	% Funded w/ Add'l Grant
Arthur	\$98	\$94	98%	\$ 2	100%
Barnes County	3,645	1,000	27%	1,425	67%
Belfield	12,848	502	4%	707	9%
Bismarck	107,700	43,528	40%	64,172	100%
Bottineau	2,150	1,569	73%	581	100%
Butte	160	68	43%	92	100%
Carrington	9,414	2,512	27%	3,521	64%
Casselton	1,342	1,083	81%	259	100%
Cooperstown	1,200	949	79%	251	100%
Dickinson	5,000	5,000	100%	0	100%
Fargo	178,300	71,196	40%	107,104	100%
Fordville	100	84	84%	16	100%
Gackle	700	118	17%	166	41%
Grand Forks	59,257	49,450	83%	9,807	100%
Grant County	50	30	60%	20	100%
Harvey	4,100	2,844	69%	1,256	100%
Jamestown	2,452	2,452	100%	0	100%
Linton	1,331	824	62%	506	100%
Mandan	16,250	11,242	69%	5,008	100%
Minot	16,000	16,000	100%	0	100%
Minto	1,680	733	44%	947	100%
Oakes	3,000	1,526	51%	1,474	100%
Rolla	10,100	171	2%	243	4%
Stanley	500	411	82%	89	100%
Upham	300	231	77%	69	100%
Ward County	3,260	3,260	100%	0	100%
Williston	5,000	5,000	100%	0	100%
<b>Totals</b>	<b>\$ 445,839</b>	<b>\$ 221,783</b>	<b>50%</b>	<b>\$ 197,712</b>	<b>94%</b>