

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2225

2007 SENATE FINANCE AND TAXATION

SB 2225

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2225**

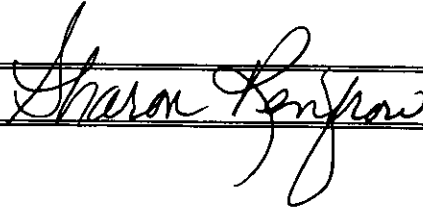
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: # 2225

Committee Clerk Signature



Minutes:

Sen. Urlacher: called the committee to order and opened the hearing on SB 2225.

Sen. Grindberg: Prime sponsor of the bill appeared in support stating he attended a meeting last summer with one of the organizations of which I was a former board member of and heard their presentation on the challenges with charitable gaming in the state, in particular how the proceeds had been dramatically hindered by the smoking issue across the state of ND.

Concerns by the impact I agreed to introduce this bill to address this issue and I think from testimony you will here the time is right to make some changes.

Sen. Cook: if this is another timid consequence of the smoking ban did you give any thought to carving out bingo parlors to let them have the freedom of choice as to whether or not they want to ban smoking or not as a solution to that problem?

Answer: I did not

Todd Kranda: appeared on behalf of the Charitable Gaming Association of ND appeared in support stating he has many testifiers testifying on behalf of his organization and will leave time for them.

Caitlin McDonald: on behalf of ARC of ND appeared in support with written testimony. (See attached)

Cal Kleuwin: Bowman County Development Corporation appeared in support and presented a handout stating his concerns with getting relief.

Sen. Cook: I'm sure most of your expenses that affect what your actual bottom line is, are fixed expenses. I would like to see what's happened to your gross sales especially relative to the smoking ban, prior to and after the smoking ban.

Answer: the smoking ban has not affected the operations. Basically we have no bingo, our operations are pull tabs in bars. This has nothing to do with bingo or parlors.

Karen Breiner: representing the Charitable Gaming Assoc. appeared in support with written testimony and handed out mailing list. (See attached)

Rick Stenseth: Manager of an organization based in Fargo (NPPA), Northern Prairie Performing Arts appeared in support with written testimony and a ND Gaming Tax Return Long Form. (See attached)

Sen. Cook: is there any requirement that there has to be a relationship between the percentage of payoff and what an individual is risking?

Answer: doesn't believe there is.

Laura Slicer: Plains Art Museum appeared in support with handout. (See attached)

Ron Gibbens: NDAD appeared in support with written testimony. (See attached)

Cathy Hoeckle: from Montpelier, ND appeared in support with written testimony. (See attached)

Nikki Weisman: Gaming Mgr for ND Hospitality Education Foundation appeared in support.

Roberta Paulson: from Valley City appeared in support with written testimony. (See attached)

Linda Jo Hettervig: of Grand Forks appeared in support with written testimony. (See attached)

Tom Reuer: of Bismarck appeared in support with written testimony. (See attached)

Vicky Wagner: ND Council of Veterans Fraternal and Charitable Organizations commonly known as ND Council of Clubs appeared in support listing organizations that they've assisted and stating this would give us about \$4000 more to give to the various charities and veterans in needs.

Sylvia Sailer: of Mandan appeared in support with written testimony. (See attached)

Phillip Schmaltz: of Bismarck appeared in support with written testimony. (See attached)

Karen Leiss: of Lincoln appeared in support with written testimony. (See attached)

Ione Balfour: of Bismarck appeared in support with written testimony. (See attached)

Bill Carns: of Bismarck appeared in support with written testimony. (See attached)

Ann Carns: of Bismarck appeared in support with written testimony. (See attached)

Todd Kranda: We do have some amendments so before you act on this bill we have a couple of items that were missing when Legislative Council put the bill draft in and cross referenced, so we have a couple of provisions we need to present to you.

Keith Lauer: from the AG's office appeared neutral on the bill with a handout (brief history of the taxes for the charitable gaming industry). We are neutral but here to assist you in any information regarding the use of net proceeds or taxes collected from the charitable gaming industry and that type of information.

Sen. Cook: can you talk about the relationship between payoff and relative to bingo cards, poker and pull tabs, any requirements in law?

Answer: No, the only game types that actually have a maximum amount that can be paid with prizes is sport pools, Calcutta's and poker. And in those games the organizations cannot pay out more than 90% of their gross proceeds in prizes, otherwise there is no minimum payback requirement. One thing I should point out is that ND traditionally has had one of the

highest per capita spending in the nation on charitable gambling and one of the reasons for that is the high prized payback that we have to our players.

Sen. Cook: 78% is considered high?

Answer: its very high. The average in the state on other games is not nearly as high as 78%, depending on the game type.

Sen. Cook: what about bingo?

Answer: I think it is running pretty close to the 78% but can get some information on it.

Sen. Triplett: reference to amendments, have they been drafted yet?

Answer: they are very minor changes and have to do with the definition of adjusted gross proceeds and gross proceeds in the charitable gaming fashion. The adjusted gross proceeds says that its after sales tax on bingo cards and that would have to be removed if this particular bill went into affect because it eliminates the sales tax on bingo cards and replaces it with an excise tax. Just wording changes, same with gross proceeds.

Sen. Oehlke: I know in our area in Devils Lake when the casino opened up it made a significant difference in the amount of monies that were spent on all other forms of gambling that was basically non profit, do you have any idea percentage wise the difference that that made at those times back several years, do you have information like that?

Answer: there was a decrease in charitable gambling during the mid 90's when the Native American tribes first opened up. Then we did have resurgence in charitable gambling when the \$25 bet came in for black-jack, some of that has come back but now with the smoking ban in the bingo halls, it has decreased the charitable gaming state wide. Our highest quarter ever was back though prior to the Native American's Tribes opening up.

Closed the hearing.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2225**

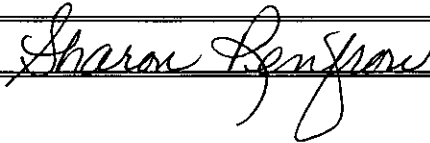
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: # 1692

Committee Clerk Signature



Minutes:

Sen. Urlacher called the committee back to order for discussion on SB 2225.

Sen. Cook brought 2 handouts from the Attorney Generals Office. (See attached)

Sen. Urlacher: the people that introduced the bill are concerned about the fiscal effect and we have someone in the room that can probably give us some ideas of what they might relate to.

Ken Tupa: ND Assoc. for the Disabled appeared to give some insight and stated they support the bill as submitted stating our interests with respect to this bill is on bingo card side of the issue as well as pull tabs but mostly bingo cards. We would encourage your continued support and consideration in maintaining the moment for the bingo cards from sales tax to excise tax and at the adjusted rate of 2%. We feel that that is important and necessary for the bingo house to continue to operate and continue to provide dollars for the charities that they give money to.

Sen. Urlacher: there was a question as to how many bingo parlors are still in existence, we understand some of them have closed, do you have a handle on how many there are?

Ken: I have a bit of information on the 4 largest which would be Assoc. for the Disabled, Plains Art, Prairie Public and another as well. We did have a bingo hall in Williston that just closed because it could no longer afford to operate. Tax relief in 2225 at the proposed rate

moving from sales to excise tax went from ½ to 2% for the excise tax we feel is absolutely necessary for our facilities to operate in ND and to provide relief for the charities that they do provide relief for.

Sen. Oehlke: Let's pretend that Grand Forks closes, I'm sure some the expenses already haven't been able to do would have to be provided by somebody, welfare or what have you, how many more dollars would it cost Grand Forks County for instance to their welfare dept. from one ____ to state?

Ken: I think it's kind of difficult to come up with a direct cost to the State or counties; however I think you're probably onto something there. Used a chart to show percentages.

Sen. Triplett: I thought I heard some of the witnesses yesterday testifying suggesting that some of the services are simply not provided by any other level of government, I'm particularly remembering the medical travel costs, is that true?

Ken: Yes, especially travel that wouldn't be provided by state pr any other subdivision

Sen. Triplett: If Senator Oehlke is right that not supporting this bill we would just transfer the burden over to County Social Services that would be one thing but if what we're really doing is cutting people off from the only source of services that they have then I think that's a different question that would maybe cause us to vote a different way. I would like a line item listing of services that you provide that nobody else provides would be helpful to me.

Sen. Urlacher: have you ever evaluated lowering that payout to accommodate what your take might be?

Ken: when you reduce that payout, you're also going to probably reduce the individuals playing the game which could result lower proceeds. I think that's probably the reason there is a pretty descent payout relative to other states but its something I'm sure we could look at, it could be an option.

Sen. Cook: they have the full authority to lower that payout right now, I think if we take a look at the national average the data certainly indicates you can go to a lower payout and have more dollars available for charities which is what I assumed your all about. If we're at 5.9% of the total dollars that are raised that's available for charities with an 80% payout, the national average is 10% available for the 73% payout. The argument is there.

Sen. Urlacher: is there a subtle way of evaluating that?

Ken: it is difficult but I can certainly get back to the committee on that.

Sen. Cook: I would like to work this out with the AG's Office I'd like to find out what this bill as its introduced the tax changes there what that might do to the total taxes paid by charities in ND relative to the national average of 3%, would it lower us from 4.1 to 2, I don't know and then I'd like work on some changes to the bill that might get us closer to the 3%

Sen. Urlacher: we will hold for another day.

Sen. Oehlke: do you have any idea what the casinos payout is, slot machine and whatever?

Ken: I don't

Sen. Horne: 4 Bears I think is at 78% payout.

Adjourned the discussion.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2225**

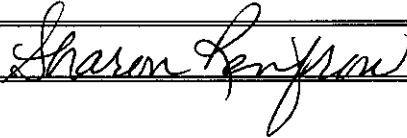
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 30, 2007

Recorder Job Number: # 2320

Committee Clerk Signature



Minutes:

Sen. Urlacher called the committee back to order for further discussion and action on SB 2225.

Sen. Cook: on 2225 that's the gaming tax bill that lowers the excise tax on pull tabs from 4 ½ to 2% and changes the tax on bingo from a sales tax to an excise tax and lowers that from current sales tax rate to 2% also. The question and challenge we have from what I'm hearing is from the size of the fiscal note. If we change the 2 to 3% it drops it to 5.6 million I would say that probably helps get this bill passed but I would be willing that we amend the 2% to 3%.

Sen. Oehlke seconded the motion.

Sen. Triplett: we're talking about section 1; paragraph 2 where the underlined 2 is we would make it a 3, correct? Yes

Voice vote on motion of amendments: 7-0-0. The amendments passed.

Sen. Urlacher: do we need a new fiscal note then?

Sen. Cook: I suppose we ought to have another fiscal note drafted, we have the numbers.

Sen. Cook: I make a Motion for DO PASS as Amended seconded by Sen. Tollefson.

Roll Call Vote: 7-0-0 Sen. Tollefson will carry the bill.

FISCAL NOTE
Requested by Legislative Council
03/14/2007

Amendment to: Reengrossed
SB 2225

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$1,196,103)	(\$733,096)	(\$1,196,103)	(\$733,096)
Expenditures						
Appropriations						

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **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 amendment to the bill eliminates the 5% state bingo sales tax, and implements a 3% bingo excise tax.

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.*

This bill eliminates the bingo sales tax general fund revenues, a reduction of (\$4,123,418). The new 3% bingo excise tax results in an additional \$2,026,463 in general fund revenues. The net general fund result of these changes is \$(2,096,955). The removal of the bingo sales tax reduction as a deduction to arrive at adjusted gross proceeds increases the gaming tax general fund revenue by \$167,756, which results in a \$(1,929,199) reduction, of which \$(1,196,103) impacts the general fund and (\$733,096) impacts the state aid distribution fund.

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.*

The net impact of elimination of the bingo sales tax and adding a 3% bingo excise tax will result in a (\$1,196,103) impact on general fund revenues and a (\$733,096) impact on the state aid distribution fund.

The amendment removing bingo sales tax from the gross proceeds subsection and as a deduction from adjusted gross proceeds, and adding bingo excise tax as a deduction to adjusted gross proceeds, is a housekeeping amendment only and has no fiscal impact.

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.*

N/A

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 is also included in the executive budget or relates to a continuing appropriation.*

N/A

Name:	Kathy Roll / Keith Lauer	Agency:	Office of Attorney General
Phone Number:	328-3622	Date Prepared:	03/16/2007

FISCAL NOTE
 Requested by Legislative Council
 02/14/2007

Amendment to: Engrossed
 SB 2225

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$4,928,956)	(\$733,096)	(\$4,928,956)	(\$733,096)
Expenditures				(\$117,792)		(\$117,792)
Appropriations				(\$117,792)		(\$117,792)

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$8,245)	(\$109,546)		(\$8,245)	(\$109,546)	

2A. **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 amendment to the bill reduces the pull tab excise tax from 4.5% to 3%, eliminates the 5% state bingo sales tax, and implements a 3% bingo excise tax. As a result of these tax reductions, gaming grants distributions, which are based on 3% of gaming and excise taxes, are reduced 19%.

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.*

This bill reduces the pull tab excise tax general fund revenues by (\$3,732,852) - 33%. It eliminates the bingo sales tax revenue of (\$1,562,651) to the general fund and (\$733,096) to the state aid distribution fund.

The bill also lowers from 4.5% to 3% the tax on pulltab excise taxes -a (\$3,732,852) reduction to the general fund.

Gaming grants distributed to cities and counties based on adjusted proceeds for each locale, will be impacted by (\$117,792).

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.*

The pull tab excise tax reduction and elimination of the bingo sales tax will result in a (\$4,928,956) impact on general fund revenues and a (\$733,096) impact on the state aid distribution fund.

This amendment, removing bingo sales tax from the gross proceeds subsection and as a deduction from adjusted gross proceeds, and adding bingo excise tax as a deduction to adjusted gross proceeds, is a housekeeping amendment only and has no fiscal impact.

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.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

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 is also included in the executive budget or relates to a continuing appropriation.

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

Name:	Kathy Roll / Keith Lauer	Agency:	Office of Attorney General
Phone Number:	328-3622 / 328-3234	Date Prepared:	02/14/2007

FISCAL NOTE

Requested by Legislative Council
02/07/2007

Amendment to: SB 2225

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$4,928,956)	(\$733,096)	(\$4,928,956)	(\$733,096)
Expenditures				(\$117,792)		(\$117,792)
Appropriations				(\$117,792)		(\$117,792)

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$8,245)	(\$109,546)		(\$8,245)	(\$109,546)	

2A. **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 amendment to the bill reduces the pull tab excise tax from 4.5% to 3%, eliminates the 5% state bingo sales tax, and implements a 3% bingo excise tax. As a result of these tax reductions, gaming grants distributions, which are based on 3% of gaming and excise taxes, are reduced 19%.

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.*

This bill reduces the pull tab excise tax general fund revenues by (\$3,732,852) - 33%. It eliminates the bingo sales tax revenue of (\$1,562,651) to the general fund and (\$733,096) to the state aid distribution fund.

The bill also lowers from 4.5% to 3% the tax on pulltab excise taxes -a (\$3,732,852) reduction to the general fund.

Gaming grants distributed to cities and counties based on adjusted proceeds for each locale, will be impacted by (\$117,792).

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.*

The pull tab excise tax reduction and elimination of the bingo sales tax will result in a (\$4,928,956) impact on general fund revenues and a (\$733,096) impact on the state aid distribution fund.

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.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

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 is also included in the executive budget or relates to a continuing appropriation.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on

adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

Name:	Kathy Roll / Keith Lauer	Agency:	Office of Attorney General
Phone Number:	328-3622 / 328-3234	Date Prepared:	02/09/2007

FISCAL NOTE
 Requested by Legislative Council
 01/16/2007

Bill/Resolution No.: SB 2225

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$8,787,441)	(\$209,375)	(\$8,787,441)	(\$209,735)
Expenditures				(\$217,835)		(\$217,835)
Appropriations				(\$217,835)		(\$217,835)

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$15,248)	(\$202,587)		(\$15,248)	(\$202,587)	

2A. 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 pull tab excise tax from 4.5% to 2%, eliminates the bingo sales tax, and implements a 2% bingo excise tax. As a result of these tax reductions, gaming grants distributions, which are based on 3% of gaming and excise taxes, are reduced 35%.

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.*

This bill reduces the pull tab excise tax by 56%. It eliminates the bingo sales tax revenue of \$2,407,811 to the general fund and \$209,375 to the state aid distribution fund.

Gaming grants distributed to cities and counties based on adjusted proceeds for each locale, will be impacted by (\$217,835).

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.*

The pull tab excise tax reduction will result in a (\$6,379,629) impact on general fund revenues.

Elimination of the bingo sales tax will result in a (\$2,617,186) reduction, which will be a (\$2,407,811) impact on general fund revenues and a (\$209,375) impact on the state aid distribution fund.

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.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$217,835) (35%).

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 is also included in the executive budget or relates to a continuing appropriation.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$217,835) (35%).

Name:	Kathy Roll / Keith Lauer	Agency:	Office of Attorney General
Phone Number:	328-3622 / 328-3234	Date Prepared:	01/19/2007

Date: 1-30-07

Roll Call Vote #: _____

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2225

Senate Finance & Tax Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Sen. Cook Seconded By Sen. Tollefson

Senators	Yes	No	Senators	Yes	No
Sen. Urlacher	✓		Sen. Anderson	✓	
Sen. Tollefson	✓		Sen. Horne	✓	
Sen. Cook	✓		Sen. Triplett	✓	
Sen. Oehlke	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen Tollefson

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

REPORT OF STANDING COMMITTEE

SB 2225: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2225 was placed on the Sixth order on the calendar.

Page 1, line 11, replace "two" with "three"

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2225

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2225

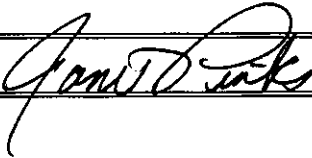
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02-12-07

Recorder Job Number: 3369

Committee Clerk Signature



Minutes:

Chairman Holmberg opened the hearing on SB 2225.

Senator Tony Grindberg, District 41, Fargo, introduced SB 2225 indicating this bill is a tax relief bill aimed at eliminating sales use tax on bingo cards and gaming.

Chairman Holmberg indicated that as this bill was being developed it was not unanimous from the gaming industry.

Todd Kranda, Lobbyist, Attorney, Kelsch Law Firm, Mandan, presented written testimony (1) and testified on behalf of Charitable Gaming Association of ND, in support of SB 2225 as amended. He identified two changes to the bill, the excise tax rate being reduced and the sales tax on bingo cards being replaced with the excise tax.

Karen Breiner on behalf of Charitable Gaming Association of ND, presented written testimony (2) as well as the charitable gaming association membership list ((6), the history of gaming taxes (7), and testified in support of SB 2225.

Rick Stenseth, Lobbyist, Charitable Gaming Association of ND, presented written testimony (3) and testified in support of SB 2225.

Jack McDonald, Lobbyist, presented written testimony (4) on behalf of **Dianne Sheppard, The Arc of the Upper Valley**, in support of SB 2225.

Dianne Sheppard then spoke in support of SB 2225.

Senator Mathern asked what is meant by break even. The response was gross less supplies and expenses.

Laura Slicer, Plains Art Museum, Fargo, presented written testimony (9) and testified in support of SB 2225. The written testimony indicates how cuts in the last legislation had hurt their organization.

Ron Gibbons, Association for the Disabled, Inc. Grand Forks, presented written testimony (5) in support of SB 2225. He indicated what funds were used for, what the tax amount was per organization and discussed closing of the bingo halls because of the tax.

Cal Klewin distributed information on the Bowman County Development Corp gaming, distributed information on the taxes paid vs. net proceeds (8) and testified in support of SB 2225.

Kara Odegaard, Development Homes Inc., presented written testimony (10) and testified in support of SB 2225 indicating how declining revenues harm the services they provide.

Additional written testimony was distributed to the Appropriations Committee for their review from **Linda Jo Hettervig, Grand Forks, (11), Cathy Hoeckle, Montpelier (12), Roberta Paulson, Valley City (13), Steve Piper, Bismarck (14),**

Keith Lauer, Office of Attorney General, presented a history of gaming taxes and eligible use contributions (15) and testified neutrally.

Chairman Holmberg asked about the amendment that was proposed as well as who prepared it.

Chairman Holmberg closed the hearing on SB 2225.

Senator Mathern moved a do pass on the amendment, Senator Fischer seconded. An oral vote took place resulting in a do pass.

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Senate Appropriations Committee

Bill/Resolution No. 2225

Hearing Date: 02-12-07

Senator Krebsback moved a do pass as amended, Senator Robinson seconded. There was no discussion. A roll call vote was taken resulting in 14 yes 0 no and 0 absent. The motion carried and Senator Tollefson will carry the bill.

Date: 2/12/07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2775

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP as amend

Motion Made By Krebsbach

Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Fin Tex

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

Bowman Amend

