



BUDGET SECTION - COMMERCE AND LEGAL SERVICES DIVISION

Wednesday, June 24, 2026
Room 327E, State Capitol
Bismarck, North Dakota

Representative Mike Nathe, Chairman, called the meeting to order at 1:07 p.m.

Members present: Representatives Mike Nathe, Karla Rose Hanson, Scott Louser, Bob Martinson, David Richter, Mark Sanford, Steve Swiontek;* Senators Randy A. Burckhard, Michael Dwyer, Robert Erbele, Randy D. Lemm, Jonathan Sickler, Terry M. Wanzek

Members absent: None

Others present: Jessica Binder, Aaron Hummel, Lonnie K. Grabowska, Claire Ness, and Jennifer Penner, Attorney General's office

**Attended remotely*

It was moved by Senator Burckhard, seconded by Senator Erbele, and carried on a voice vote that the minutes of the March 18, 2026, meeting be approved as distributed.

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented the Attorney General's base budget summary report and the agency's compliance with legislative intent report.

Ms. Claire Ness, Chief Deputy Attorney General, Attorney General's office, presented information (Appendices [A](#), [B](#), and [C](#)) regarding the agency's organizational chart; the status of the agency's new and vacant FTE pool activities for the 2025-27 biennium; and the agency's 2027-29 biennium base budget by line item and funding source, including grants and other major programs. She noted:

- The performance-based pay system implemented within the Attorney General's office in January 2024 has been successful; however, the average attorney salary within the office is less than the average salary of attorneys in other state and local government agencies.
- Through May 2026, the Attorney General has reimbursed counties \$36,868 of the \$360,056 appropriated for prosecution witness fees for the 2025-27 biennium.

In response to a question from a committee member, Ms. Ness noted the Attorney General's electronic prosecutor system is available to all 53 counties, of which 34 counties currently use the system and 3 additional counties intend to use the system soon.

Ms. Jennifer Penner, Director, State Crime Laboratory, Attorney General's office, presented information ([Appendix D](#)) regarding recent activities and future needs of the State Crime Laboratory. She noted the State Crime Laboratory building is in need of replacement due to structural, equipment, maintenance, and space concerns. Forensic laboratory architects estimate the need to upgrade from the 19,500 square foot building to a new 53,000 square foot building.

In response to a question from a committee member, Ms. Penner noted the estimated cost of a new State Crime Laboratory was approximately \$40 million to \$45 million during the 2023-24 interim.

In response to a question from a committee member, Ms. Ness noted the Attorney General's preference is that after the Department of Health and Human Services' new health laboratory on the Capitol grounds is complete, a new State Crime Laboratory be constructed on the site of the current health laboratory if the existing building is demolished.

Ms. Jessica Binder, Director, Medicaid Fraud Control Unit, Attorney General's office, presented information ([Appendix E](#)) regarding recent activities and future needs of the Medicaid Fraud Control Unit (MFCU). She noted the federal government pays for 75 percent of MFCU costs and that Medicaid funds recouped by the MFCU offset state costs incurred.

In response to a question from a committee member, Ms. Binder noted Medicaid fraud cases in North Dakota have increased in number, size, and complexity.

Mr. Aaron Hummel, Director, Gaming Division, Attorney General's office, presented information ([Appendix F](#)) regarding recent activities and future needs of the Gaming Division and recent charitable gaming activities and trends in the state. He noted:

- There are 320 active charitable gaming organizations operating 927 gaming sites, including 5,659 electronic pull-tab devices.
- Gross proceeds from gaming activities in the state, which is the total amount played before prizes are paid, totaled \$291.1 million in 2015 and the estimate for 2026 is approximately \$2.65 billion.

In response to questions from committee members, Mr. Hummel noted:

- Charitable organizations are limited to operating 15 charitable gaming sites and are allowed to operate up to 10 electronic pull-tab machines at each gaming site.
- The Gaming Division conducts audits of charitable gaming organizations, which often results in the detection of ineligible expenses incurred using gaming funds, requiring the organization to reimburse the organization's charitable gaming trust fund.

Mr. Lonnie K. Grabowska, Director, Bureau of Criminal Investigation, Attorney General's office, presented information ([Appendix G](#)) regarding recent activities and future needs of the Bureau of Criminal Investigation (BCI). He noted BCI employs two temporary staff to assist victims of sexual assault cases. He noted the Attorney General anticipates requesting budget authority from the 2027 Legislative Assembly to convert these positions to full-time equivalent positions beginning in the 2027-29 biennium.

In response to a question from a committee member, Mr. Grabowska noted while artificial intelligence is one reason for the increase in the availability of child sexual abuse material (CSAM), the advancement of technology and the frequency of children having online access without parental supervision have increased the amount of CSAM. Artificial intelligence-enabled CSAM is treated in the same manner as traditional CSAM by BCI.

In response to a question from a committee member, Ms. Ness noted in June 2026, the Attorney General reached a settlement with the federal Department of Justice for the full \$28 million previously awarded by a trial court related to the Dakota Access Pipeline lawsuit and the settlement proceeds will be used for the repayment of Bank of North Dakota loans and attorney fees associated with the Dakota Access Pipeline protests.

It was moved by Senator Wanzek, seconded by Senator Burckhard, and carried on a voice vote that the Legislative Council staff prepare a summary of the division's activities for the 2025-26 interim for inclusion in the Budget Section's report to the Legislative Management.

No further business appearing, Chairman Nathe adjourned the meeting at 3:18 p.m.

After the conclusion of the meeting, the following information was provided to the committee:

- Information ([Appendix H](#)) from the Attorney General regarding charitable gaming data for the quarter ending March 31, 2026.
- Information ([Appendix I](#)) from the Attorney General regarding statewide litigation funding pool expenses.

Alex J. Cronquist
Senior Fiscal Analyst

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ATTACH:9