

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1089

2005 HOUSE JUDICIARY

HB 1089

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1089

House Judiciary Committee

☐ Conference Committee

Hearing Date 1/10/05

Tape Number

1

Side A

xx

Side B

Meter #

48-end

Committee Clerk Signature

Minutes: 14 members present.

**Chairman DeKrey:** We will open the hearing on HB 1089.

**Keith Lauer, Gaming Division, Office of AG:** (see written testimony).

**Representative Zaiser:** Should the fees be increased even more.

**Keith Lauer:** We checked with the Charitable Gaming Association annual convention and they felt this is reasonable. All we want to do is replace special funds that will be depleted this biennium. We just want to offset these costs. We already have the appropriation for that. Some of that appropriation special funds is for inspection of Native American casinos, we have a little bit of added cushion in there in case we have to do some major investigations. We do have special fund authority already in our budget, so there isn't a problem there with the cap there, I don't think there will be a problem.

**Representative Zaiser:** You feel comfortable that will offset the additional costs that are occurring in the gaming industry.

**Keith Lauer:** Yes.

**Representative Meyer:** Just for clarification, these small towns that have Calcutta, do they have to pay a \$200 fee, or is it if they have a series of 10, would it be just one \$200 fee or would it be a \$1,000 for them.

**Keith Lauer:** Yes they would in case of a Calcutta because it is a stamped game. There are local permits and charity local permits, which do not require the state license. But those are unstamped products, the stamped products are Calcutta's and pull tabs, and so other game types like sports pools, bingo, raffles can be done under a local permit, provided that the prizes don't exceed \$12,000/yr. So small organizations that do those types of activities, do not have to pay this fee.

**Chairman DeKrey:** Thank you for appearing. Any further testimony in support of HB 1089, further testimony in opposition to HB 1089. We will close the hearing.

(Reopened in the same morning session, side B)

**Chairman DeKrey:** I will entertain a motion on HB 1089.

**Representative Boehning:** I move a Do Pass motion.

**Representative Zaiser:** I second the motion.

**Chairman DeKrey:** Further discussion. The clerk will call the roll on HB 1089.

14 YES 0 NO 0 ABSENT

DO PASS

Carrier: Rep. Galvin

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/12/2005

**REVISION**

Bill/Resolution No.: HB 1089

**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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$68,000	\$0	\$68,000
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill increases the license fee for gaming organizations from \$150 to \$200 for each city or county jurisdiction. The additional \$50 per license (\$68,000 total) based on 1,360 licenses held would be deposited in the Office of Attorney General's operating fund. Special funds currently used to fund essential services to gaming organizations will be depleted in the 2003-05 biennium, requiring additional funding.

**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 bill would not change the current general fund revenues included in the Governor's budget but would increase the Office of Attorney General's operating fund by \$68,000 (based on 1,360 licenses) to maintain essential services to gaming organizations including training provided to the organizations and toll-free assistance. This fee has not been changed since 1989.

**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.*

No change

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

No change

Name: Kathy Roll  
Phone Number: 328-3622

Agency: Office of Attorney General  
Date Prepared: 01/12/2005

**FISCAL NOTE**  
**Requested by Legislative Council**  
12/22/2004

Bill/Resolution No.: HB 1089

**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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$204,000	\$0	\$204,000	\$68,000	\$204,000	\$68,000
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

This bill increases the license fee for gaming organizations from \$150 to \$200 for each city or county jurisdiction. The additional \$50 per license (\$68,000 total) based on 1,360 licenses held would be deposited in the Office of Attorney General's operating fund. Special funds currently used to fund essential services to gaming organizations will be depleted in the 2003-05 biennium, requiring additional funding.

**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 bill would not change the current general fund revenues included in the Governor's budget but would increase the Office of Attorney General's operating fund by \$68,000 (based on 1,360 licenses) to maintain essential services to gaming organizations including training provided to the organizations and toll-free assistance. This fee has not been changed since 1989.

**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.*

No change

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

No change

Name: Kathy Roll  
Phone Number: 328-3622

Agency: Office of Attorney General  
Date Prepared: 01/05/2005

Date: 1/10/05  
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1089

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass

Motion Made By Rep. Boehning Seconded By Rep. Zaiser

**Representatives**  
Chairman DeKrey  
Representative Maragos  
Representative Bernstein  
Representative Boehning  
Representative Charging  
Representative Galvin  
Representative Kingsbury  
Representative Klemin  
Representative Koppelman  
Representative Kretschmar

Yes No

**Representatives**  
Representative Delmore  
Representative Meyer  
Representative Onstad  
Representative Zaiser

Yes No

Total (Yes) 14 No 0

Absent 0

Floor Assignment Rep. Galvin

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

**REPORT OF STANDING COMMITTEE (410)**  
January 10, 2005 11:24 a.m.

**Module No: HR-05-0210**  
**Carrier: Galvin**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1089: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS**  
(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1089 was placed on the  
Eleventh order on the calendar.



2005 HOUSE APPROPRIATIONS

HB 1039

## General Discussion

- ☐ Committee on Committees
- ☐ Rules Committee
- ☐ Confirmation Hearings
- ☐ Delayed Bills Committee
- ☒ House Appropriations, Gov. Operations
- ☐ Senate Appropriations
- ☐ Other

Date Monday, 1/24/05

Tape Number

Side A

B Side

Meter #

1

X

17.7-49.2

2

X

00-4.5

Committee Clerk Signature



Minutes:


**Chairman Carlisle** called the General Discussion to order.

He confirmed with members that the following bills are about ready to be sent to the Full Committee: HB 1005, HB 1006 (with regard to the budget. The amendment will be considered in Full Committee), HB 1007, and HB 1011.

(Meter #20.7)

Re: **HB 1089**, a bill for an Act to amend and reenact subsection 2 of section 53-06.1-03 of the North Dakota Century Code, relating to games of chance license fees.

The bill has been approved by the Judiciary Committee, 14-0, and has been referred to House Appropriations, Government Operation Division because of the fiscal note. **Chairman Carlisle**



1089

said the \$68,000 in question is already included in the operating expenses of the Attorney

General's budget. **Chairman Carlisle** said he would carry the bill to Full Committee.

There was a question as to why two fiscal notes were attached to the bill, one dated 12/22 and the

other dated 1/12. **Chairman Carlisle** called **Kathy Rowe, Director of the Finance &**

**Administration Division** and asked if she would come to the House Conference Room and

explain. When she arrived, she explained what happened with the first fiscal note was that the

\$204,000 that goes into the general fund for this fee was reflected, and it was already included in

the executive recommendation. The Dept. revised it to just include the \$68,000, which is the fee

increase. She confirmed that the operating expenses for HB 1089 are already in the A.G.'s

budget.

**Chairman Carlisle** asked for a Motion for "Do Pass" for HB 1089. **Rep. Timm** so moved and

**Rep. Thoreson** seconded the motion.

(Meter #27.8)

**Re: HB 1018**

Committee members discussed the Ebert Ranch. **Rep. Kempenich** explained that the ranch is approximately 5,600 acres and the asking price is \$600 per deeded acre, which seems a bit high.

There are unresolved easement questions. There is discussion to have the Park Service run the ranch and they'd need 2 FTE's to do this. (Meter #35.6) There is discussion as to whether the State should buy it or the Federal Government. The Eberts have been charging bow hunters to use the land. The Game & Fish Department has \$400,000 to pick up the grassland portion.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1089  
Re-Referred Bill on  
Games of Chance Licensee Fees

House Appropriations Full Committee

☐ Conference Committee

Hearing Date January 25, 2005

Tape Number	Side A	Side B	Meter #
2	X		#18.0 - #22.0

Committee Clerk Signature

*Chris Alexander*

Minutes:

**Rep. Ken Svedjan, Chairman** opened the hearing on HB1089.

**Rep. Ron Carlisle** distributed handout #16-6 (attached) explaining that the bill came from the Judiciary committee who gave it a unanimous do pass. The money in question is \$68 thousand in revenues that is no longer there and the money to cover this is now in the Attorney General's budget.

**Rep. Ken Svedjan, Chairman** asked for a clarification of the 2 fiscal notes on this bill. The only difference between the two was the additional funds beyond the \$68,000.00.

**Ms Kathy Roll** from the Attorney General's office answered that the first fiscal note included the amount that is currently being deposited in the general fund and is included in the executive recommendation. It was removed because since it is listed in the executive recommendation it wouldn't be proper to show this as a fiscal note.

**Rep. Ken Svedjan, Chairman** noted that the committee has made no amendment to this bill and that the committee is satisfied that the Attorney General's budget will cover these expenses.

**Rep. Ron Carlisle** moved a do pass on HB1089.

**Rep. Joe Kroeber** seconded.

**Rep. Jeff Delzer** asked if there was any discussion about what this says to the small gaming sites out there or any discussion about changing the percentages for them or the amount that goes to charities or whatnot, or was this just considered to be right off the top?

**Rep. Ron Carlisle** answered our understanding was that enhanced training was one of the components to this but we didn't look at changing the percentages.

**Rep. Ken Svedjan, Chairman** called for further discussion. Seeing none, he called for a roll call vote on the Do Pass motion. Motion carried with a vote of 17 yeas, 2 nays, and 4 absent. Representative Galvin will carry the bill to the House Floor.

**Rep. Ken Svedjan, Chairman** closed the discussion on HB1089. (meter Tape #2, side A, #17.5)

Date: 11/24/05  
Roll Call Vote #:

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO: 1089

House House Appropriations Government Operations

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken motion to refer to Full Committee  
with full approval  
Motion Made By Rep. Timm Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Carlisle	✓		Rep. Kroeber	✓	
Rep. Timm	✓		Rep. Williams	✓	
Rep. Kempenich					
Rep. Thoreson	✓				

Total (Yes) 5 No 0

Absent one absent

Floor Assignment Chairman Carlisle

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

Date: **January 25, 2005**  
Roll Call Vote #: **1**

**2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. HB1089**

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken **DO PASS**

Motion Made By **Rep Carlisle**

Seconded By **Rep Kroeber**

<b>Representatives</b>	<b>Yes</b>	<b>No</b>	<b>Representatives</b>	<b>Yes</b>	<b>No</b>
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	AB	
Rep. Tom Brusegaard	AB		Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt	AB		Rep. Chet Pollert	X	
Rep. Francis J. Wald	AB		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson	X		Rep. James Kerzman		X
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes **17** No **2**

Absent **4**

Floor Assignment **Rep Pat Galvin (Judiciary)**

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

**REPORT OF STANDING COMMITTEE (410)**  
January 25, 2005 1:08 p.m.

**Module No: HR-16-0989**  
**Carrier: Galvin**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1089: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO PASS**  
(17 YEAS, 2 NAYS, 4 ABSENT AND NOT VOTING). HB 1089 was placed on the  
Eleventh order on the calendar.



2005 SENATE APPROPRIATIONS

HB 1089

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1089

Senate Appropriations Committee

☐ Conference Committee

Hearing Date February 24, 2005

Tape Number	Side A	Side B	Meter #
1		b	4,230

Committee Clerk Signature



Minutes:

**Vice Chairman Grindberg** opened the hearing on HB 1089.

**Keith Lauer, Director, Gaming Division, Attorney General's Office**, distributed testimony and testified on behalf of the Attorney General's office in support of HB 1089. He described the provisions of the bill which increases the annual gaming license fee for each city or county by \$50. The increase will be deposited into the Attorney general's operating fund which would offset depleted special funds to cover operating expenses.

Questions asked included what percentage of expenses the \$50 would pay, how much money is currently available for operating expenses, concerns that gaming submits the fees and gets nothing in return, the charges at the county city level, concerns about funding the attorney general's operating expenses, fees small gaming outfits pay.

**John Emter, concerned citizen**, testified in support of HB 1089. He indicated this bill ultimately creates jobs.

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1089

Senate Appropriations Committee

☐ Conference Committee

Hearing Date March 23, 2005

Tape Number

1

Side A


a

Side B

Meter #

1,910

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the discussion on HB 1089 indicating this is increasing the gaming license fee.

**Senator Andrist** moved a DO PASS, **Senator Kilzer** seconded. A roll call vote was taken resulting in 10 yes, 4 no, and 1 absent. The motion carried.

**Chairman Holmberg** closed the discussion.

Date 3/23/05  
Roll Call Vote #: 1

**2005 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB 1089**

Senate **SENATE APPROPRIATIONS**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

*Do Pass*

Motion Made By

*Andrist*

Seconded By

*Kilzer*

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	/		SENATOR KRAUTER	/	/
VICE CHAIRMAN BOWMAN	/	/	SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG	/		SENATOR MATHERN		/
SENATOR ANDRIST	/		SENATOR ROBINSON	/	
SENATOR CHRISTMANN	/		SEN. TALLACKSON		/
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes)

*10*

No

*4*

Absent

*1*

Floor Assignment

*Schobinger Bowman*

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

**REPORT OF STANDING COMMITTEE (410)**  
March 23, 2005 3:32 p.m.

**Module No: SR-53-5948**  
**Carrier: Schobinger**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1089: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS**  
(10 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1089 was placed on the  
Fourteenth order on the calendar.

2005 TESTIMONY

HB 1089

## TESTIMONY ON HOUSE BILL NO. 1089

By Keith Lauer, Gaming Division, Office of Attorney General

House Judiciary Committee  
January 10, 2005

*same to senate  
approves!*

My name is Keith Lauer. I am Director of the Gaming Division of the Attorney General's Office. I am testifying on behalf of the Attorney General's Office in support of House Bill No. 1089, and will describe the provisions of this bill.

1. This bill increases the annual gaming license fee for each city or county from \$150 to \$200. The most recent change in the gaming organization license fee was in August 1989, when an increase from \$100 to \$150 was approved (16 years ago).
2. The \$50 increase per year must be deposited into the Attorney General's operating fund and is estimated to increase revenue in the amount of \$68,000 (1,361 gaming licenses issued during the 2001-03) for the biennium.
3. The increased revenue would be used to offset depleted special funds used in the current biennium in order to continue offering the gaming organizations a toll-free telephone number to our division, on-site and regional training to gaming organization employees and board members, and on-site inspections during audits and investigations.
4. Although our division continually looks for ways to cut operating expenses increases in the risk management premium, telephone costs, postage, and other necessary office expenses continue to increase.

I would be happy to answer any questions.



OFFICE OF ATTORNEY GENERAL  
STATE OF NORTH DAKOTA

HB 1089  
Ron Carlisle  
1-25-05  
Handout #  
16-6

Wayne Stenehjem  
ATTORNEY GENERAL

MEMORANDUM

STATE CAPITOL  
600 E. Boulevard Ave. Dept. 125  
Bismarck, ND 58505-0040  
701-328-2210  
800-366-6888 (TTY)  
Fax 701-328-2226

Consumer Protection  
and Antitrust Division  
701-328-3404  
Toll Free in North Dakota  
800-472-2600  
Fax 701-328-3535

Gaming Division  
701-328-4848  
Fax 701-328-3535

Licensing Section  
701-328-2329  
Fax 701-328-3535

Lottery Division  
701-328-1574  
Fax 701-328-3535

500 N. 9th St.  
Bismarck, ND 58501-4509  
Fax 701-328-4300

Civil Litigation  
701-328-3640

Natural Resources  
701-328-3640

Racing Commission  
701-328-4290

P.O. Box 1054  
Bismarck, ND 58502-1054  
Fax 701-328-5510

Bureau of Criminal Investigation  
701-328-5500  
Toll Free in North Dakota  
800-472-2185

Fire Marshal  
701-328-5555

Information Technology  
701-328-5500

P.O. Box 937  
Bismarck, ND 58502-0937  
Fax 701-328-6145

Crime Laboratory  
701-328-6159  
Toll Free in North Dakota  
800-296-2054

To: Representative ~~Carlisle~~  
From: Kathy Roll, Office of Attorney General  
Subject: 2005 House Bill No. 1089  
Date: January 25, 2005

The \$68,000 in revenues generated by House Bill No. 1089 is budgeted in the Gaming Division of the Office of Attorney General. The other funds that were funding a portion of the Gaming Division's operations are no longer available. The other funds consisted of an accumulation of recordkeeping and internal control manual revenues that will be completely used during the 2003-05 biennium.