

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1003

Page 1, line 1, after the semicolon insert "to require the state fire marshal to inspect buildings as requested by a political subdivision;"

Page 1, line 2, remove the first "and" and replace "section" with "sections 53-06.1-12 and"

Page 1, line 3, after "to" insert "gaming and excise tax collections and" and after "general" insert "; and to declare an emergency"

Page 1, line 10, replace "14,847,334" with "14,841,235"

Page 1, line 12, replace "428,876" with "399,876"

Page 1, line 13, replace "5,524,989" with "5,734,398"

Page 1, line 15, replace "238,814" with "297,112"

Page 1, line 21, replace "31,909,515" with "32,142,123"

Page 1, line 22, replace "16,979,504" with "17,751,371"

Page 1, line 23, replace "14,930,011" with "14,390,752"

Page 2, line 15, after the first period insert "**ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND -**"

Page 2, line 16, replace "\$419,591" with "\$629,000"

Page 2, replace lines 17 through 20 with:

**"SECTION 6. PETROLEUM RELEASE COMPENSATION FUND - FEES.** The attorney general shall charge and collect fees for services provided by the state fire marshal program to entities covered by the petroleum release compensation fund under chapter 23-37 of up to a total of \$35,000 for the biennium beginning July 1, 2001, and ending June 30, 2003. All fees collected under this section must be deposited in the attorney general's operating fund.

**SECTION 7. STATE FIRE MARSHAL - BUILDING INSPECTIONS AS REQUESTED BY POLITICAL SUBDIVISIONS - FEES.** The state fire marshal shall conduct, upon request of a political subdivision, an inspection of a publicly or privately owned building and shall charge a fee for the cost of providing this service for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 8. ATTORNEY GENERAL REFUND FUND - EXCEPTION - ESTIMATED INCOME.** Notwithstanding section 54-12-18, the attorney general may retain \$100,000 in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2001. The estimated income line item in section 1 of this Act includes \$100,000 from the attorney general refund fund for the purpose of defraying the expenses of the consumer protection division for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 9. ESTIMATED INCOME - RACING PROMOTION, PURSE, AND BREEDERS' FUNDS.** Notwithstanding section 53-06.2-11, the estimated income line item in section 1 of this Act includes \$297,112 from the racing promotion fund, purse fund, and breeders' fund for the purpose of defraying the administrative and operating costs of the racing commission for the biennium beginning July 1, 2001, and ending June 30, 2003. The racing commission shall determine the allocation from each fund based on the proportion of the resources available in each fund.

**SECTION 10. LEGISLATIVE INTENT - CLANDESTINE LABORATORY CLEANUP - EMERGENCY COMMISSION REQUEST.** It is the intent of the legislative assembly that the attorney general request emergency commission approval for funding from the state contingencies appropriation if additional funding is needed for defraying the cleanup costs of clandestine laboratories and if federal funds are not available for this purpose for the biennium beginning July 1, 2001, and ending June 30, 2003.

**SECTION 11. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$197,714, or so much of the sum as may be necessary, to the attorney general for the purpose of providing local gaming enforcement grants, for the period beginning with the effective date of this section, and ending June 30, 2001."

Page 2, after line 28, insert:

**"SECTION 14. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12. Gaming and excise taxes - Deposits and allocations.**

1. A gaming tax is imposed on the total adjusted gross proceeds earned by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. The tax rates are:
  - a. On adjusted gross proceeds not exceeding two hundred thousand dollars, a tax of five percent.
  - b. On adjusted gross proceeds exceeding two hundred thousand dollars but not exceeding four hundred thousand dollars, a tax of ten percent.
  - c. On adjusted gross proceeds exceeding four hundred thousand dollars but not exceeding six hundred thousand dollars, a tax of fifteen percent.
  - d. On adjusted gross proceeds exceeding six hundred thousand dollars, a tax of twenty percent.
2. In addition to any other tax provided by law and in place of sales or use taxes, there is imposed an excise tax of four and one-half percent on the gross proceeds from the sale at retail of pull tabs to a final user. This includes pull tabs provided to a player in exchange for redeemed winning pull tabs. The tax must be paid to the attorney general when tax returns are filed.
3. The Except as provided in subsection 4, the state treasurer shall deposit gaming and excise taxes, monetary fines, and interest and penalties collected in the general fund in the state treasury.
4. The state treasurer shall deposit three percent of the total taxes collected under this section into a gaming and excise tax allocation fund. Pursuant

to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games of chance within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter."

Page 3, after line 5, insert:

**"SECTION 16. EMERGENCY.** Sections 8 and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1003 - Attorney General - House Action**

	EXECUTIVE BUDGET	HOUSE CHANGES	HOUSE VERSION
Salaries and wages	\$14,847,334	(\$6,099)	\$14,841,235
Operating expenses	5,882,969		5,882,969
Equipment	428,876	(29,000)	399,876
Grants	5,524,989	209,409	5,734,398
Litigation fees	50,000		50,000
Racing Commission	238,814	58,298	297,112
National Criminal History Improvement Project	2,358,720		2,358,720
Arrest and return of fugitives	10,000		10,000
Gaming Commission	5,109		5,109
Law enforcement programs	631,056		631,056
High-intensity drug trafficking area	1,931,648		1,931,648
Total all funds	\$31,909,515	\$232,608	\$32,142,123
Less estimated income	<u>16,979,504</u>	<u>771,867</u>	<u>17,751,371</u>
General fund	\$14,930,011	(\$539,259)	\$14,390,752
FTE	158.50	0.00	158.50

**Dept. 125 - Attorney General - Detail of House Changes**

	ADJUST MARKET EQUITY SALARY INCREASE <sup>1</sup>	RACING COMMISSION ADJUSTMENTS <sup>2</sup>	REDUCE EQUIPMENT <sup>3</sup>	FEDERAL FUNDING REDUCTIONS <sup>4</sup>	USE OF REFUND FUND <sup>5</sup>	GAMING ENFORCEMENT GRANTS <sup>6</sup>
Salaries and wages	(\$6,099)					
Operating expenses						
Equipment			(\$29,000)			
Grants						\$209,409
Litigation fees						
Racing Commission	1,754	\$56,544				
National Criminal History Improvement Project						
Arrest and return of fugitives						
Gaming Commission						
Law enforcement programs						
High-intensity drug trafficking area						
Total all funds	(\$4,345)	\$56,544	(\$29,000)	\$0	\$0	\$209,409
Less estimated income		<u>297,112</u>		<u>(254,245)</u>	<u>100,000</u>	<u>629,000</u>
General fund	(\$4,345)	(\$240,568)	(\$29,000)	\$254,245	(\$100,000)	(\$419,591)
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL HOUSE CHANGES					
Salaries and wages		(\$6,099)				
Operating expenses						
Equipment		(29,000)				

Grants	209,409
Litigation fees	
Racing Commission	58,298
National Criminal History Improvement Project	
Arrest and return of fugitives	
Gaming Commission	
Law enforcement programs	
High-intensity drug trafficking area	
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Total all funds	\$232,608
Less estimated income	<u>771,867</u>
General fund	(\$539,259)
FTE	0.00

<sup>1</sup> This amendment reduces, from \$9,833 to \$3,734, the amount provided for a market equity salary increase for the Attorney General. The amount included in the bill will provide for a monthly increase of \$177.67 and related fringe benefits for the last 18 months of the biennium. In addition, funding for the racing commissioner's market equity salary increase is increased, from \$7,007 to \$8,761, to provide a monthly increase of \$416.83 and related fringe benefits for the last 18 months of the biennium.

<sup>2</sup> Funding for the Racing Commission is increased by \$56,544 to provide additional funding for operating costs. In addition, a funding source change is made removing the general fund support and providing the funding from the racing promotion fund, purse fund, and breeders' fund based on the proportion of the resources available in each fund.

<sup>3</sup> Equipment funding is reduced to reflect lower computer replacement costs.

<sup>4</sup> Federal funding is reduced and general fund support is increased relating to the Uniform Crime Reporting (UCR) research analyst position (\$86,055) and for 1.5 FTE information technology positions required to maintain the law enforcement system (National Criminal History Improvement Project) on a 24-hour basis (\$168,190).

<sup>5</sup> General fund support is reduced and funding is provided from the Attorney General refund fund for a portion of the costs of the Consumer Protection Division. Provisions are added allowing the Attorney General to retain these funds in the refund fund and not transfer them to the general fund on June 30, 2001. This amount was not included in the general fund revenue forecast; therefore, estimated general fund revenues are not affected.

<sup>6</sup> Funding for local gaming enforcement grants is increased by \$209,409 to \$629,000. Funding for these grants is changed from the general fund to the gaming and excise tax allocation fund. A section is added amending North Dakota Century Code Section 53-06.1-12 to provide that three percent of gaming tax collections be deposited in the gaming and excise tax allocation fund rather than the general fund. This change reduces 2001-03 biennium estimated general fund revenues by \$629,000.

Grants from this special fund will be distributed quarterly to cities and counties based on their proportion of the taxes collected. If a city or county's allocation for a quarter is less than \$200, that city or county will not receive a payment for that quarter, but that amount will be distributed to other cities and counties receiving payments of \$200 or more.

The section providing that the Attorney General distribute local gaming enforcement grants on a competitive basis is removed from the bill.

A section is added authorizing the Attorney General to charge fees totaling up to \$35,000 for the 2001-03 biennium for services provided by the State Fire Marshal to entities covered by the petroleum release compensation fund. Collections of these fees will be deposited in the Attorney General's operating fund.

A section is added requiring the State Fire Marshal, as requested by a political subdivision, to conduct inspections of publicly or privately owned buildings. The State Fire Marshal will charge a fee for these inspections, the proceeds of which will be deposited in the general fund.

A section of legislative intent is added providing that the Attorney General request state contingency funds from the Emergency Commission if additional funding is needed for cleanup costs relating to clandestine laboratories and if federal funds are not available for paying these costs.

A section is added appropriating \$197,714 from the general fund for local gaming enforcement grants for the 1999-2001 biennium providing a total of \$419,591 for these grants for the 1999-2001 biennium.