

2011 HOUSE FINANCE AND TAXATION

HB 1243

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1243  
January 17, 2011  
#12946

☐ Conference Committee

Committee Clerk Signature

*Mary Bruckner*

### Explanation or reason for introduction of bill/resolution:

A Bill relating to the excise tax on bingo.

### Minutes:

**Representative Kathy Hawkins:** Sponsor. Support. With charitable gaming we have the gross profit tax depending on what level of profit. In addition, there is an extra tax on bingo cards, 3%. What this bill asks is to eliminate that tax. The reason is very bottom line; several of our non-profits that add to the cultural infrastructure of the state are finding it very difficult to raise funds. This was one of the tools we gave them a long time ago so that as opposed to direct appropriations out of state funds. This is one way of helping to sure up some of those non-profits that adds so much to our communities and to our state. It's very simple but the bottom line is dollars and you deal with that everyday so you know what I'm saying.

**Representative Dave Weiler:** I don't see a fiscal note with this.

**Representative Hawkins:** I asked the Tax Department on this and nothing had been requested so at this point no but certainly there has to be one. At this point there isn't.

**Senator Tony Grindberg:** Support. Some information will be coming from some others who were coming in to testify. You also need to be aware that there was an interim study. I believe there's a bill on the Senate side that will maybe be more comprehensive to you of the tax structure. This bill focuses on the 3%. From my understanding of the people I've talked to from the community I represent, specifically the Plains Art Museum. The changes in habits, society, and gambling have led to a continual decrease in revenue and how the structure is collected and paid back out to the charities. I can't speak specifically for the Plains but I can tell you that they are in pretty tough shape right now because of the continual decline. So we've been asked to supportive of a change that will put on this and put more money back into these non-profits so they can continue to operate. As I mentioned, the information from the Plains will be coming in a handout form but I would encourage you to take a look at this. We struggle with this issue every biennium and whether it was the smoking ban that led to less gambling to the fact that changes are going on.

**Chairman Wesley R. Belter:** No further testimony in support. No testimony in opposition and no neutral testimony.

**Myles Vosberg, Tax Department:** There was not a fiscal note requested on this. The revenue loss would be the revenue that's collected by the Attorney General's office on the gaming taxes. We don't have access to that information.

**Representative Dave Weiler:** When you say you don't have access for that, you can still get that you just need to ask for it?

**Myles Vosberg, Tax Department:** I would assume that the Attorney General's office could provide you with that information or we could request that from them if you would like me to do that?

**Representative Dave Weiler:** I think that would be up to the Chairman.

**Chairman Wesley R. Belter:** If you could provide that information to us that would be appreciated.

**Myles Vosberg:** I will do that.

**Representative Glen Froseth:** Bingo pays the same tax on the proceeds as other forms of gambling but the price is basically left up to the charity, isn't it? Is there a stipulation of how much they charge for a bingo card and how much of that they have to pay back in prize money?

**Myles Vosberg:** I'm not sure. The gross revenue is subject to tax so it's not impacted by what they pay out in prizes. Whether there's any requirement on a percentage, I'm not sure on that. That's administered by the Attorney General's office.

**Chairman Wesley R. Belter:** No further testimony. Closed hearing on HB 1243.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1243  
January 24, 2011  
#13323

☐ Conference Committee

Committee Clerk Signature

*Mary Brucker*

## Explanation or reason for introduction of bill/resolution:

A Bill relating to the excise tax on bingo.

## Minutes:

**Chairman Wesley R. Belter:** I have a note here that somebody requested information from the Attorney General on taxes collected. Do you want to wait for that information?

**Vice Chairman Craig Headland:** If I may be so bold, the reason these bingo parlors don't have the money to pay their excise tax is because we won't allow anyone to smoke in there so maybe we should amend this bill and take it out of the tobacco dollars.

**Chairman Wesley R. Belter:** What are the committee's wishes on this bill?

**Vice Chairman Craig Headland:** I make a motion for a DO NOT PASS.

**Representative Glen Froseth:** Seconded.

**A roll call vote was taken: YES 5 NO 7 ABSENT 2  
MOTION FAILED.**

**Vice Chairman Craig Headland:** The fiscal impact on this bill is going to take away from any real tax relief that we want to provide because we have to have a balanced budget.

**Representative Bette Grande:** I think we should consider Vice Chairman Craig Headland's amendment.

**Chairman Wesley R. Belter:** We are not going to proceed any further on this. If someone wants to come up with some different amendments then you can do so.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Finance and Taxation Committee  
Fort Totten Room, State Capitol

HB 1243  
February 2, 2011  
#13884

☐ Conference Committee

Committee Clerk Signature

*Mary Brucker*

## Explanation or reason for introduction of bill/resolution:

A Bill relating to the excise tax on bingo.

## Minutes:

**Representative Bette Grande:** I drafted up some amendments and you can certainly look at them. I was talking with the other bill sponsors and they said not to bother with the amendments and let the bill go as there is another bill dealing with all nonprofits.

**Representative Mark S. Owens:** I move a DO NOT PASS.

**Vice Chairman Craig Headland:** Seconded.

A roll call vote was taken: YES 9 NO 3 ABSENT 2

**MOTION CARRIED—DO NOT PASS.**

**Representative Dave Weiler will carry HB 1243.**

## FISCAL NOTE

Requested by Legislative Council  
01/11/2011

Bill/Resolution No.: HB 1243

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$1,800,000)		(\$1,800,000)	
Expenditures				(\$54,000)		(\$54,000)
Appropriations				(\$54,000)		(\$54,000)

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 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 bill eliminates the bingo card 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.*

Eliminating the bingo card excise tax will result in a \$1.8 million general fund revenue reduction. In addition, the cities and counties will receive \$54,000 less from the gaming tax payback as a result of this change. Currently the bingo excise tax is 3%.

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.*

Eliminating the bingo card excise tax will result in a \$1.8 million general fund revenue reduction.

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.*

The cities and counties will receive \$54,000 less from the gaming tax payback as a result of this change.

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.*

The cities and counties will receive \$54,000 less from the gaming tax payback as a result of this change.

Name:	Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3622	Date Prepared:	01/14/2011

Date: 1-24-11  
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1243

House Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Rep. Headland Seconded By Rep. Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	✓		Scot Kelsh		✓
Vice Chair. Craig Headland	✓		Shirley Meyer		✓
Glen Froseth	✓		Lonny B. Winrich		✓
Bette Grande		✓	Steven L. Zaiser	AB	
Patrick Hatlestad		✓			
Mark S. Owens	AB				
Roscoe Streyle	✓				
Wayne Trottier		✓			
Dave Weiler	✓				
Dwight Wrangham		✓			

Total (Yes) 5 No 7

Absent 2

Floor Assignment —

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

MOTION FAILED.

Date: 2-2-11  
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1243

House Finance and Taxation Committee

☐ Check here for Conference Committee

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

Action Taken: ☐ Do Pass ☒ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	✓		Scot Kelsh		✓
Vice Chair. Craig Headland	✓		Shirley Meyer		✓
Glen Froseth	✓		Lonny B. Winrich	✓	
Bette Grande	✓		Steven L. Zaiser		✓
Patrick Hatlestad	✓				
Mark S. Owens	✓				
Roscoe Streyle	AB				
Wayne Trottier	✓				
Dave Weiler	✓				
Dwight Wrangham	AB				

Total (Yes) 9 No 3

Absent 2

Floor Assignment Rep. Weiler

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



**REPORT OF STANDING COMMITTEE**

**HB 1243: Finance and Taxation Committee (Rep. Belter, Chairman)** recommends **DO NOT PASS** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1243 was placed on the Eleventh order on the calendar.

**2011 TESTIMONY**

**HB 1243**