

**House Finance and Taxation Committee
 69th Legislative Session
 Representative Craig Headland-Chair**

Chairman Headland and House Finance and Taxation Committee,

Please accept this testimony in support of HB 1504.

Intent of this bill...

- Increase the principal of Veterans Post War Trust Fund (PWTF)
- Address North Dakota’s homeless veteran unmet needs

Background/History

Fund 410: Post War Trust Fund PWTF

Article X Section 25 of ND Constitution and NDCC 37-14-14

- 1969-1971 Issuance of Bonds and Surtax for Adjusted Compensation to ND Veterans of Vietnam War
- Funds remaining (\$41 million) after services for Vietnam Veterans were used for many projects such as ND State Veterans Cemetery, Veterans home, etc.
- 1988 PWTF established as Permanent Trust Fund (\$4.1 million)
 - The PWTF principal consist of money transferred *as authorized by legislation*
 - Investment of the PWTF is entrusted to the ND State Treasurer
 - Interest from investments is used for;
 - Investment expenses
 - Principal growth
 - Spendable interest income appropriated to the Administrative Committee on Veterans Affairs (ACOVA) on continuing basis
 - What is earned in a biennium is made available in next biennium
- The principal balance of PWTF was held at \$4.1 Million dollars until 2014
- 2013 Legislative action. **\$250,000** added to principal of PWTF
- 2015 Created Patriotic License Plates. Proceeds to principal. **\$105,710**
- 2019 Created Income Tax Check Off. Proceeds to principal. **\$136,614**
- | | |
|-----------------------------------|--------------------------------------|
| <u>Income to Veteran Programs</u> | <u>Beginning of Biennium balance</u> |
| ○ 2013-2015: \$262,371.92 | \$4.5 million |
| ○ 2015-2017: \$274,545.96 | \$5.6 million |
| ○ 2017-2019: 218,369.06 | \$6.2 million |
| ○ 2019-2021: \$281,474,87 | \$6.6 million |
| ○ 2021-2023: \$232,369.67 | \$7.9 million |
- 2024.11 balance of PWTF: \$8,634,098

Fund 503: Charitable Gaming Operating Fund

NDCC 53-06.1-11.2 (and 12)

- 12/31/2024 balance: \$33,138,461.70
- ND *Veteran Service Organizations with Charitable Gaming generate* \$4,720,360 per biennium
 - 50% = \$2,360,180
 - Estimated amount per fund: \$1,180,090

Need for bill...

- Administrative Committee on Veterans Affairs (ACOVA) receives spendable interest income from PWTF for use on programs of benefit to ND Veterans and their dependents.
 - Grants for unmet medical: Hearing Aids, Dental, Denture, Glasses, Housing, Transportation to medical appointments, and others. *Income and asset based.*

Grants: Monthly Income limits

2013:

Household Size	1	2	3	4	5	6	7
Income Limit	\$1200	\$1400	\$1600	\$1800	\$2100	\$2400	\$2600

\$2,000 cash assets allowed. Can deduct ongoing medical expenses.

2025:

Household Size	1	2	3	4	5	6	7
Income Limit	\$1379	\$1806	\$2042	\$2278	\$2513	\$2749	\$2985

\$5,500 cash assets

ND Fuel Assistance: 2025

Household Size	1	2	3	4	5	6	7
Income Limit	\$2977	\$3893	\$4809	\$5725	\$6641	\$7557	\$7728

*Deductions: Childcare, Child support, Medical, 27% income deduction on earned income, Employment, and Education, Representative payee fees, child or adult dependent costs.

- Interest income is not enough to cover needs
 - Donated and other resources are needed to assist in these grants
 - About 40% of applications are denied
- Interest rates are low, and inflation is high
 - Dental / Denture grant costs:
 - 2013: \$1,700 plate with Dental/Denture limit: \$4,000
 - 2025: Dental/Denture limit: \$5,000 x 2yrs \$10,000

- Hearing aids: (4-year limit)
 - 2013: \$1,500 ear
 - 2025: \$2,500 ear
- Housing:
 - 2013: \$500
 - 2025: \$2,500 (Deposit and 1 month rent)
 - Growing affordable housing needs in ND
- Legislative action is required to add to PWTF principal
- Programs no longer being funded:
 - Grants for outreach
 - Homeless veteran programs
 - Training grants
 - Veteran employment services grants
 - Transportation: DAV vans now in NDDVA budget
 - PTSD service animals: NDDVA budget
 - Legal services
 - Grants to uncovered needs at ND Veterans Home
 - County and Veteran service officer assistance

Outcome of Bill:

Stable PWTF. Sustainable interest earning capability. Increased ability for ACOVA and NDDVA to provide grants and services for the most vulnerable of ND Veterans and Dependents. Immediate ability to address and prevent ND Veteran Homelessness

Thank you for your consideration.

Lonnie Wangen Commissioner-NDDVA

North Dakota Constitution: [Article X Section 25](#):

The veterans' postwar trust fund shall be a permanent trust fund of the state of North Dakota and shall consist of moneys transferred or credited to the fund as authorized by legislative enactment. Investment of the fund shall be the responsibility of the state treasurer who shall have full authority to invest the fund only in the same manner as the state investment board is authorized to make investments. All income received from investments is to be utilized for programs which must be of benefit and service to veterans, who are defined by legislative enactment, or their dependents, and such income is hereby appropriated to the administrative committee on veterans' affairs on a continuing basis for expenditure upon those programs selected at the discretion of the [administrative committee on veterans' affairs](#).

NDCC 37-14-14 Veterans' postwar trust fund

The veterans' postwar trust fund is a permanent trust fund of the state of North Dakota and consists of moneys transferred or credited to the fund under this chapter and other laws. Investment of the fund is the responsibility of the state treasurer who shall have full authority to invest the fund only in accordance with chapter 21-10. All income received from investments is to be utilized only for programs of benefit and service to veterans or their dependents, and all income earned in a biennium is appropriated to the administrative committee on veterans' affairs on a continuing basis in the following biennium and not in the biennium the income is earned for expenditure on these programs as authorized by law. Investment of all income received from investments is the responsibility of the state treasurer who has full authority to invest the income received only in accordance with chapter 21-10.

53-06.1-11.2. Charitable gaming operating fund - Attorney general - State treasurer - Allocations - Transfer to the general fund.

1. There is created in the state treasury the charitable gaming operating fund. The fund consists of all gaming taxes, monetary fines, and interest and penalties collected under this chapter.
2. Excluding moneys in the charitable gaming operating fund appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming, the

attorney general shall allocate remaining moneys in the charitable gaming operating fund on a quarterly basis as follows:

- a. Ten thousand dollars to the gambling disorder prevention and treatment fund.
 - b. Subject to legislative appropriations, five percent of the total moneys deposited in the charitable gaming operating fund to cities and counties in proportion to the taxes collected under section 53-06.1-12 from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation 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.
3. On or before June thirtieth of each odd-numbered year, the attorney general shall certify to the state treasurer the amount of accumulated funds in the charitable gaming operating fund which exceed the amount appropriated by the legislative assembly for administrative and operating costs associated with charitable gaming for the subsequent biennium. The state treasurer shall transfer the certified amount from the charitable gaming operating fund to the general fund prior to the end of each biennium.

53-06.1-12. Gaming tax - Deposits. (Retroactive application - See note)

1. Except as provided in subsection 2, a gaming tax is imposed on the total adjusted gross proceeds received by a licensed organization in a quarter and the tax 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. For a licensed organization with adjusted gross proceeds:
 - a. Not exceeding fifty thousand dollars the tax is one percent of adjusted gross proceeds.
 - b. Exceeding fifty thousand dollars the tax is five hundred dollars plus twelve percent of adjusted gross proceeds exceeding fifty thousand dollars.
2. For a licensed organization permitted to conduct raffles in this state with adjusted gross proceeds exceeding fifty thousand dollars, a gaming tax of one percent of gross proceeds is imposed on the total gross proceeds received by the licensed organization from raffles in a quarter. The tax must be computed and paid to the attorney general on a quarterly basis on the tax return. The tax must be paid from adjusted gross proceeds and is not part of the allowable expenses.
3. The tax must be paid to the attorney general at the time tax returns are filed.
4. The attorney general shall deposit gaming taxes, monetary fines, and interest and penalties collected in the charitable gaming operating fund.

Statewide Trial Balance - Special Funds
For the Month Ending Dec 31, 2024

Run Date: Jan 15, 2025

Fund: 503 Charitable Gaming Operating Fu

Account	Current Month	Biennium to Date
Balance Sheet Accounts		
105251 Cash & Equiv at BND - Current	(133,265.48)	41,864,059.67
124001 Accounts Receivable - Current	(7,581.76)	105,243.48
201001 Accounts/Vouchers Payable	1,778.01	(29.62)
303001 Fund Balance-Unreserved-Undes		(8,830,811.83)
Total Balance Sheet Accounts	(139,069.23)	33,138,461.70
Revenues		
416030 Gaming Tax	57,438.40	37,942,506.07
441015 Fines-Forfeitures-Escheat	2,516.34	148,213.94
463021 Misc. Sales And Services		40,448.12
463029 Sale Of Publications	96.75	1,654.05
473035 Other Reimb. - Jury Pay, Etc.		200.00
Total Revenues	60,051.49	38,133,022.18
Expenditures		
511005 Salaries Full Time	121,984.75	2,003,992.29
511020 Paid Annual Leave		2,355.80
514005 Overtime		1,450.11
516015 Employee Assist Program	27.79	508.90
516055 Health Insurance	29,657.60	534,822.60
516075 Basic Life Insurance	5.05	92.50
516095 Other Retirement	2,400.52	33,880.53
516165 Section 125 Adm Fee	319.55	6,191.85
516170 Social Security	9,025.96	147,765.02
516175 State Retirement	15,212.37	242,312.33
516205 Unemployment Insurance	988.84	2,308.84

Statewide Trial Balance - Special Funds
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Account	Current Month	Biennium to Date
516210 Workers Comp Premium		6,973.62
521015 In State - Lodging	96.30	5,188.20
521020 In State - Meals		2,509.50
521035 Meals Taxable		1,036.00
521045 Motor/Aircraft Pool	412.65	4,975.83
521046 Motor Pool Replacement Exp	54.45	586.01
521065 Other Transportation & Misc Ex		336.00
521070 Out of State-Air Transportatio		6,139.52
521075 Out of State - Lodging		14,503.38
521080 Out of State - Meals		3,130.10
521085 Out of State-Other Comm Transp		1,182.49
531010 IT - Equipment Under \$750		68.49
531020 Software/Licenses Under \$5,000		119.99
532020 Books		27.99
533010 Clothing		1,778.18
534040 Fuel & Oil - Vehicle	210.84	2,991.78
534100 Other Bldg. & Equip. Supplies		148.19
535015 Equip Under \$750		112.47
535085 Supplies Not Classified		14.80
536005 Central Supply	932.82	5,870.76
536015 Office Supplies		1,494.04
541015 Postage or P.O. Box Rental	78.18	3,687.64
542005 Central Duplicating - Printing		1,744.72
542035 Printing From Others (Non Ctrl		5,593.95
552075 Other Equipment		195.99
553010 Furniture & Furnishings		5,115.47
571030 Risk Management Premiums		3,258.10

Statewide Trial Balance - Special Funds
For the Month Ending Dec 31, 2024

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Fund: 503 Charitable Gaming Operating Fu

Account	Current Month	Biennium to Date
581010 Copier Rental	94.34	1,689.55
582060 Rent Of Building Space		107,472.36
591055 Repair Equipment-Automobiles		103.76
591085 Repair Service-Radios		1,768.00
591120 Service Contract-Office Equip		3.50
591125 Service Contract-Other		2,856.00
601005 Data Processing Service	1,436.03	27,162.51
602005 Cellular Phones	47.54	827.82
602065 Telephone ITD	509.23	9,369.30
603020 IT-Consultant/Development		37,000.00
611010 Dues & Memberships		500.00
611020 Professional Development	29.62	10,395.27
611030 Tuition Fees		2,156.00
611040 Leg Reportable Dues&Membership		425.00
621060 Awards, Rewards, Prizes		475.00
621285 Licenses & Taxes		170.00
621325 Other Operating Fees	13.00	470.99
621885 AG Office Buy Fund		3,500.00
623015 Artistic & Design Service		350.00
623020 Audit		1,773.00
623100 Legal		2,169.00
623105 Legal - Administrative Hearing		279.50
623140 Medical Including Hospital		634.00
623175 Professionals Not Classified	3,947.04	68,527.53
692005 Passenger Vehicles		46,758.43
693030 IT Equip / Software Over \$5000	11,636.25	278,260.00
712105 Grants To Cities		345,549.31

Statewide Trial Balance - Special Funds
For the Month Ending Dec 31, 2024

Run Date: Jan 15, 2025

Fund: 503 Charitable Gaming Operating Fu

<u>Account</u>	<u>Current Month</u>	<u>Biennium to Date</u>
712115 Grants To Counties		29,450.67
722285 TSFR TO COMP GAMBLING PREVENTI		560,000.00
722513 Tsfr to Charitable Gaming Tech		400,000.00
Total Expenditures	199,120.72	4,994,560.48