

2025 SENATE APPROPRIATIONS

SB 2023

DEPARTMENT 670 - RACING COMMISSION 2025-27 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Racing commission	\$630,334
Total all funds	\$630,334
Less other funds	<u>172,257</u>
Total general fund	\$458,077
Full-time equivalent positions	2.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Contains \$472,087 for salaries and wages	\$444,483	\$27,604	\$472,087
2. Contains \$158,247 for operating expenses, including \$28,800 for rental costs and \$30,908 for data processing costs	\$13,594	\$144,653	\$158,247

Continuing Appropriations

Breeders' fund - North Dakota Century Code Section 53-06.2-11 - To financially reward breeders or owners of North Dakota-bred horses. During the 2021-23 biennium, the fund had revenues of \$584,358, disbursements of \$661,424, and a June 30, 2023, balance of \$924,668.

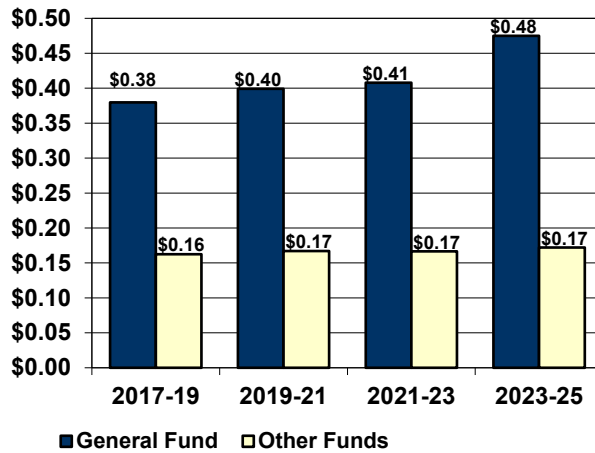
Promotion fund - Section 53-06.2-11 - To promote horse racing in North Dakota. During the 2021-23 biennium, this fund had revenues of \$1,137,279, expenses of \$1,221,156, and a June 30, 2023, balance of \$332,907.

Purse fund - Section 53-06.2-11 - To increase the amount of purses at North Dakota racetracks. During the 2021-23 biennium, this fund had revenues of \$584,359, disbursements of \$628,550, and a June 30, 2023, balance of \$132,550.

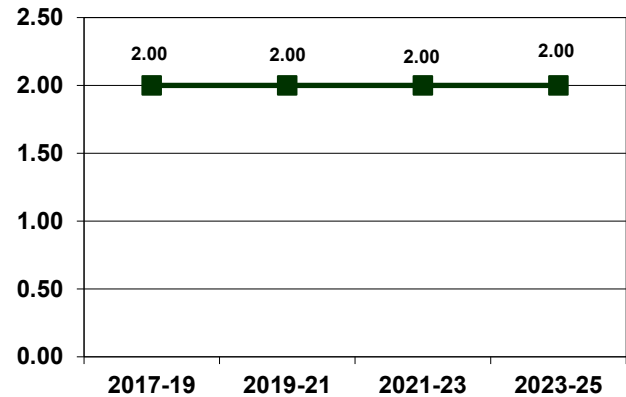
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing other funds appropriations	\$387,821	\$379,621	\$399,072	\$387,894	\$458,077
Increase (decrease) from previous biennium	N/A	(\$8,200)	\$19,451	(\$11,178)	\$70,183
Percentage increase (decrease) from previous biennium	N/A	(2.1%)	5.1%	(2.8%)	18.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(2.1%)	2.9%	0.0%	18.1%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

None \$0

2021-23 Biennium

1. Reduced funding for professional development to provide a total of \$20,051 (\$7,507)

2023-25 Biennium

1. Added funding for salary equity increases and temporary salaries \$22,368
2. Increased funding for rent costs to provide total funding of \$28,800 \$11,409

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time other funds appropriations	\$0	\$0	\$0	\$20,000	\$20,000

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

None \$0

2021-23 Biennium

1. Internships \$20,000

2023-25 Biennium

1. Internships \$20,000



**Racing Commission
Department No. 670
2025 Senate Bill No. 2023**

**EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	2.00	\$527,343	\$177,512	\$704,855
Base level	2.00	458,077	172,257	630,334
Increase (decrease)	0.00	\$69,266	\$5,255	\$74,521
Percentage increase (decrease)	0.0%	15.1%	3.1%	11.8%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds ongoing funding of \$20,000 from the general fund for an internship program
- Provides **one-time funding** of \$13,000 from the general fund to replace a copier

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 3 fees. The agency did not recommend any changes to the fees.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Racing Commission - Budget No. 670

Agency Worksheet - Senate Bill No. 2023

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	2.00	\$458,077	\$172,257	\$630,334
2025-27 Ongoing Funding Changes				
Salary increase		\$19,211	\$1,009	\$20,220
Health insurance increase		11,410	601	12,011
Funding to replace 23-25 vacant FTE pool		5,645	298	5,943
Information technology rate increases			3,347	3,347
Internship program		20,000		20,000
Total ongoing funding changes	0.00	\$56,266	\$5,255	\$61,521
One-Time Funding Items				
Copier replacement		\$13,000		\$13,000
Total one-time funding changes	0.00	\$13,000	\$0	\$13,000
Total Changes to Base Level Funding	0.00	\$69,266	\$5,255	\$74,521
2025-27 Total Funding	2.00	\$527,343	\$177,512	\$704,855
<i>Federal funds included in other funds</i>			\$0	

Total ongoing changes - Percentage of base level

0.0%

12.3%

3.1%

9.8%

Total changes - Percentage of base level

0.0%

15.1%

3.1%

11.8%

Other Sections in Racing Commission - Budget No. 670

Section Description	Executive Budget
FTE position adjustments	Section 3 would allow the Racing Commission to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2023
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an act to provide an appropriation for defraying the expenses of the North Dakota racing commission and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing Commission	\$630,334	\$74,521	\$704,855
Total All Funds	\$630,334	\$74,521	\$704,855
Less Estimated Income	172,257	5,255	177,512
Total General Fund	\$448,077	\$69,266	\$527,343
Full-time Equivalent Positions	2.00	0.00	2.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Internships	\$20,000	\$0
Printer/copier	0	13,000
Total General Fund	\$20,000	\$13,000

SECTION 3. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the North Dakota racing commission may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium beginning July 1, 2025, and ending June 30, 2027. The North Dakota racing commission shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



**Racing Commission
Department No. 670
2025 Senate Bill No. 2023**

**REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum budget recommendation	2.00	\$527,343	\$177,512	\$704,855
Revisions - Increase (decrease)	0.00	(3,508)	(182)	(3,690)
Armstrong budget recommendation	2.00	\$523,835	\$177,330	\$701,165
Base level	2.00	458,077	172,257	630,334
Increase (decrease)	0.00	\$65,758	\$5,073	\$70,831
Percentage increase (decrease)	0.0%	14.4%	2.9%	11.2%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Adds ongoing funding of \$20,000 from the general fund for an internship program
- Provides one-time funding of \$13,000 from the general fund to replace a copier

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Major Related Legislation

As of the date of this report, there is no major related legislation for this agency.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Racing Commission - Budget No. 670
Agency Worksheet - Senate Bill No. 2023

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	2.00	\$458,077	\$172,257	\$630,334
2025-27 Ongoing Funding Changes				
Salary increase		\$15,703	\$827	\$16,530
Health insurance increase		11,410	601	12,011
Funding to replace 23-25 vacant FTE pool		5,645	298	5,943
Information technology rate increases			3,347	3,347
Internship program		20,000		20,000
Total ongoing funding changes	0.00	\$52,758	\$5,073	\$57,831
One-Time Funding Items				
Copier replacement		\$13,000		\$13,000
Total one-time funding changes	0.00	\$13,000	\$0	\$13,000
Total Changes to Base Level Funding	0.00	\$65,758	\$5,073	\$70,831
2025-27 Total Funding	2.00	\$523,835	\$177,330	\$701,165

Federal funds included in other funds

\$0

Total ongoing changes - Percentage of base level

0.0%

11.5%

2.9%

9.2%

Total changes - Percentage of base level

0.0%

14.4%

2.9%

11.2%

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2023
1/13/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

8:30 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Racing commission budget.
- Licensing costs.
- Roles and responsibilities of ND racing commission.
- Self sufficiency.
- Simulcasting.

8:33 a.m. Bruce Johnson, Executive Director of ND racing commission testified in favor and submitted testimony #28650.

9:22 a.m. Chairman Sorvaag Adjourned the meeting.

Steven Hall, Committee Clerk

Senate Bill 2023
ND Racing Commission
Bruce Johnson, Director
January 13, 2025

69th. Legislative Assembly
Senate Appropriations Committee
Senator Brad Bekkedahl, Chairman

To the Honorable Chairman Senator Bekkedahl and other Honorable members of the Senate Appropriations Committee. Thank you for the opportunity to appear before you to present my testimony for SB 2023, the ND Racing Commission (NDRC) 2025-27 biennium budget.

The North Dakota Racing Commission holds five key responsibilities...

Regulation of Horse Racing

Enforce state laws and rules governing pari-mutuel wagering and horse racing.

Issue licenses to participants, including trainers, jockeys, owners, and racing officials.

Ensure compliance with rules to maintain fairness and transparency.

Oversight of Pari-Mutuel Wagering

Regulate and monitor betting systems to ensure accuracy and legality.

Protect bettors and maintain public confidence in wagering operations.

Promotion of Horse Racing

Encourage the development of horse racing as an economic activity.

Support the breeding and training of racehorses in North Dakota.

Partner with stakeholders to expand racing-related opportunities and events.

Safety and Welfare

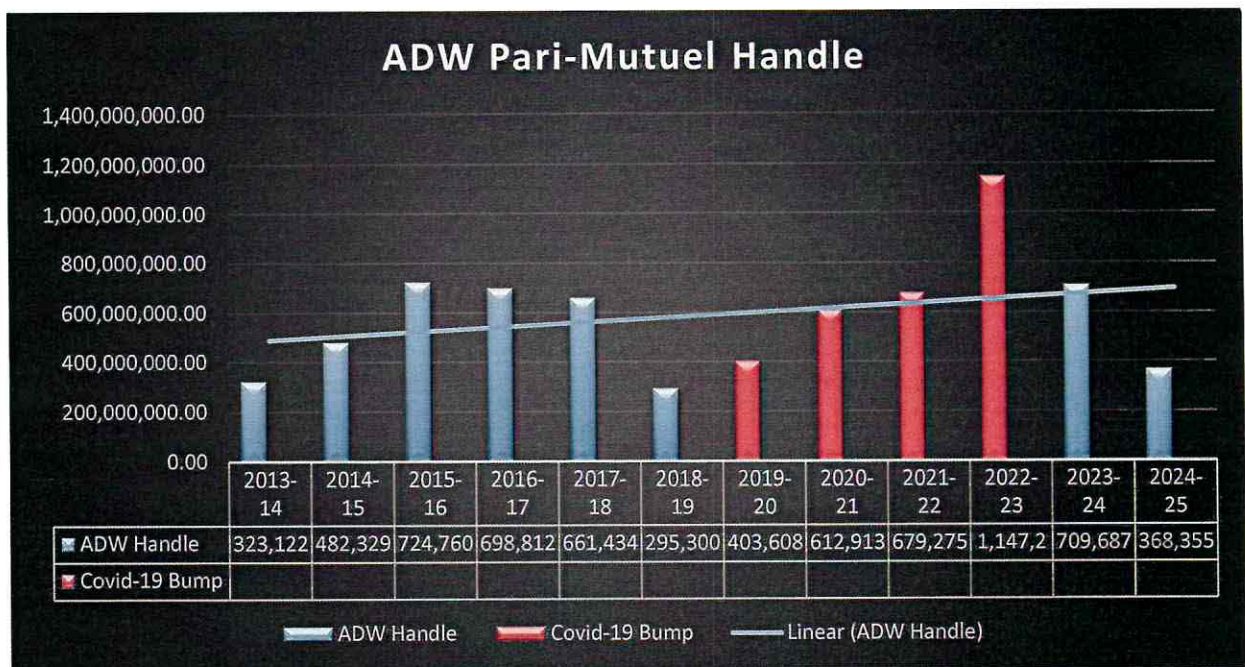
Protect the welfare of horses and participants by enforcing safety standards.

Conduct drug testing for horses and personnel to prevent performance-enhancing substances or abuse.

Allocation of Funds

Administer and distribute funds from pari-mutuel wagering to support racing purses, horse breeding programs, and other industry initiatives.

The future of racing in North Dakota has some significant risks and challenges going forward. One such risk is the effect of the Advanced Deposit Wagering (ADW's) markets on our commissions tax revenues. With the, (post-Covid), decline of retail ADW operations, revenues are more and more dependent upon high-volume bettors. We are seeing that minor changes in a company's business structure, regulatory changes in other jurisdictions, or rate differences between companies result in significant shifts in wagering volume away from the North Dakota licensed and regulated operations. These facts are demonstrated by the actual wagering volume during the 2024 calendar year as shown by the graph below.

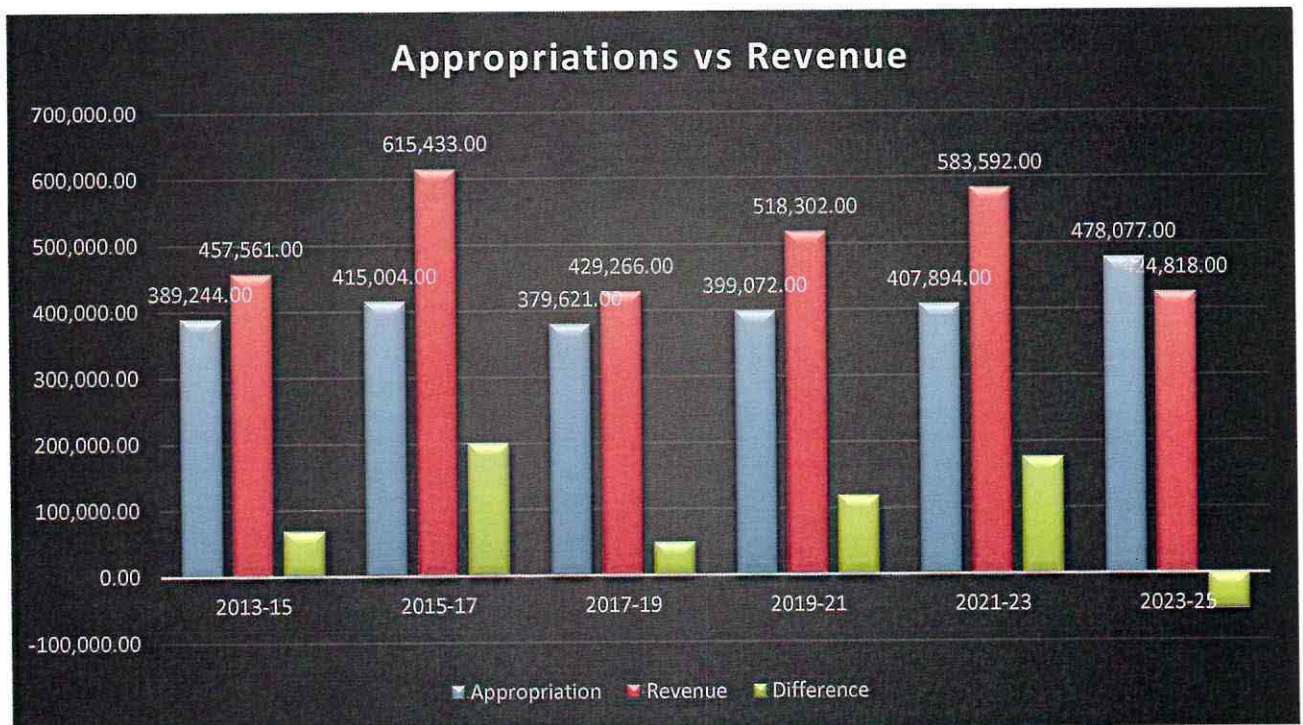


Although we fully expect ADW wagering handle to bounce back in second half of this fiscal year, if the pandemic has taught us anything, it's that anything can happen.

While the Commission has done its best to plan and mitigate the effects of any market changes, significant impacts to our ADW partners wagering volume are omnipresent. COVID-19 created an unanticipated year for ADW in 2020 with wagering and revenues far exceeding our expectations. In that year, and the following 3 years, an initial boon was created however, we are beginning to see a reduction in those numbers beginning in 2024. It is therefore imperative that the North Dakota Racing Commission stands ready to defend the business model our licensed ADW's have built. Moving forward, the racing industry in the state must identify and obtain more reliable sources of revenue by attracting more ADW's to license with our state. One major blow to our licensed ADW models has been the increased pressure from animal rights groups.

Advocates for the rights of racing animals like the Greyhound have made significant progress in disrupting that sport by attacking the pari-mutuel wagering side. Although not legal in North Dakota, many of our ADW's, and simulcast facilities, support wagering on Greyhound racing worldwide. Groups such as Grey2K will be looking to eliminate this important stream of revenue for our ADW partners which in turn effects our agencies revenue generated from taxation on the overall wagering handle.

Even in these volatile times, budget wise, the NDRC has been able to maintain its payments to the general fund exceeding our appropriations for the past 5 biennia.



The Racing Commission fully expects to continue this trend through the end of this current biennium and beyond.

Additionally, in the 2025-27 biennium we are requesting \$ 20,000 for up to 2 Interns each year to work at our office and at the live race meets. The desire is to assist university students in agriculture programs to learn and experience the horse racing industry firsthand and to generate more interest in this industry with our state's young adults.

We have also requested a one-time funding increase of \$13,000. xx for a new office printer / copier.

North Dakota Century Code

Chapter 53-06.2. The agency's major responsibilities include:

- Provide for racing under the certificate system.

- Administration of the Breeders, Purse, Promotion and Operating Funds.

- Administration of licensing for Service Providers/Account Deposit Wagering (ADW's), Totalizator, Charity/Site Operators, Live Race Meets and Individual occupational licenses.

- Adopt regulatory rules for all licensees and events.

Purpose of programs:

- Breeders Fund – established to financially reward breeders or owners of North Dakota-bred horses.

- Purse Fund – established to supplement and improve purses at racetracks within the state.

- Promotion Fund – established to assist in improving and upgrading racetracks in the state, promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.

An Organizational Chart is listed on the last page.

Audit Findings

Financial Audit Findings for 2021-23. (Last Audit)

None

2023-25 Biennium Accomplishments and Challenges

Live race meets were held in Belcourt (Chippewa Downs) and Fargo (ND Horse Park) this past summer. Despite the reduction ADW handle & revenue Purses and Breed Fund awards remained the same.

Attendance was up at both facilities while pari-mutuel wagering handle remained unchanged. Race fans came out for the racing.

We have increased our licensee base by an important 2 ADW operations. In 2023 we welcomed Xpressbet and in 2024 we welcomed AmWager.

We have paid out about a million dollars from our Purse, Breeders and Promotion Funds to Tracks, Breeders and Horsemen this Biennium, supporting the racing community in these difficult times. We are anticipating that number will not decrease in 2025-27.

In 2024, The Racing Commission passed and instituted a partnership with WDAY to promote racing in North Dakota via with a \$ 50,000.xx television and social media campaign paid for by our racing promotion fund.

2025-27 Biennium Goals & Plans

Our goal in the next biennium is to increase Purse amounts to attract more horses from out of state. Although we will always prioritize North Dakota bred animals, competition in horse racing is proven to bring out the best in any program.

New Agency Positions 2023-25

No new positions requested for 2023-25.

Agency Turnover 2023-25

No Turnover considered during 2023-25.

Funding

2025-27 Explanation of Funding

100% of our General Fund Appropriations go towards Salaries and Benefits with additional funding for salaries and benefits coming from our operating fund.

All other appropriations come from our special/operating fund which is funded through licensing and registration fees set by the commission. Costs associated with the operating fund include...

Rent
Record Keeping
Data Processing Costs (NDIT)

Other Funding.

Grants; None
Special Line Items; None
Capital Assets; None

Changes to FTE.

None

One-Time Funding Current Biennium 2023-25

One-time funding 2023-25 included \$ 20,000. xx funding for two interns to participate in our ongoing Internship Program with the NDRC.

One-Time Funding Requests Next Biennium 2025-27

Printer / Copier - \$13,000. xx

Agency Collections and Deposits

General Fund – Deposits are from collecting taxes from the ADWs.
2023-25 estimate was \$ 466,686. xx

Currently deposited - \$ 424,818. xx; on target to meet or exceed the estimate for this biennium.

Estimated for 2025-27 is \$ 420,000. xx

Special Fund – Deposits are derived from fees from licensing and breed fund registrations.

2023-25 estimate was \$ 135,461.

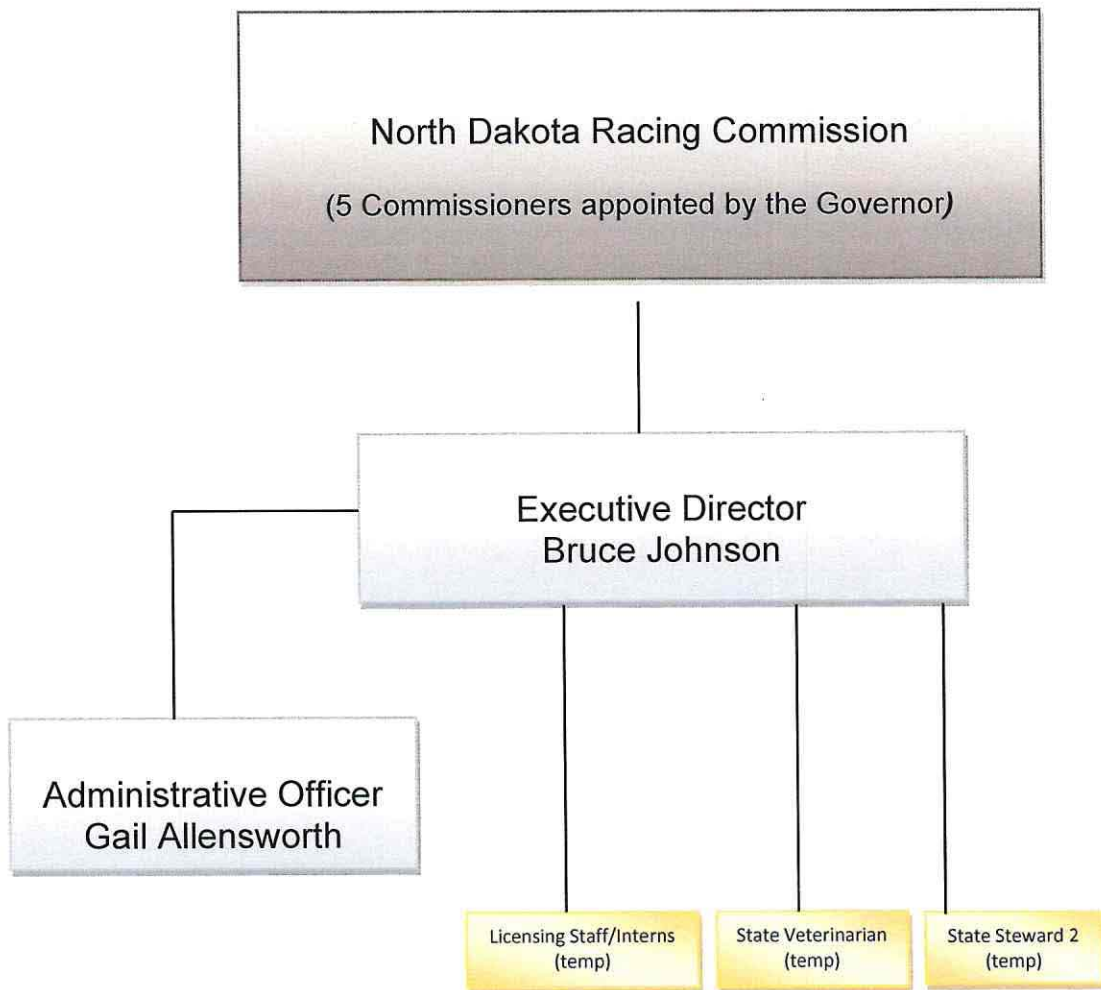
Currently deposited - \$ 129,055. We should be very close to meeting this estimate.

We would request that we maintain our current budget without any reductions from the 2023-25 biennium budget authorizations of \$ 478,077. xx

New Legislation

The Racing Commission has not committed to any new legislation the session. Although past attempts seemed rational and well thought out, they were not passed for a reason. More dedication and experience should make these past failed legislation attempts possible. For this session, the Racing Commission will be looking out for legislative activity which could be beneficial and reason to get behind. We are also watching out for the real possibility of legislation aimed directly, or indirectly, at limiting our ADW partners from maximizing their wagering handle potential.

Organizational Chart



North Dakota Horse Park gets finances on track as 2025 season takes shape

The track is proving itself financially viable after some rocky years.



Fans line up along the fence to watch the horse races during opening day at the North Dakota Horse Park on Saturday, July 13, 2024.
Alyssa Goelzer/The Forum



By [Wendy Reuer](#)

December 26, 2024 at 7:51 AM

Comments

Share

News Reporting

FARGO — Slowly, the North Dakota Horse Park in Fargo is growing its live horse racing meet and for the first time in nearly a decade, the organization that runs the track is not scrambling to make the tax payment that once loomed over it.

The Fargo track is operated by Horse Race North Dakota, a nonprofit organization that contributed when the track was built in 2003.

At a meeting of Horse Race North Dakota on Friday, Dec. 20. Cindy Slaughter, accountant and co-owner of TaxLady, which contracts with Horse Race North Dakota, said the track's overall income is up about \$93,000 from this time last year.

A fourth weekend of racing cost the track about \$148,000 this year. However, that cost can be offset in the future by factors such as attendance and the amount bet on the races.

"There's a couple of things we could do differently this year to reduce that amount," North Dakota Horse Park General Manager Hugh Alan Drexler said.



Horses race out of the starting gates in the 5th race of the day during opening day at the North Dakota Horse Park on Saturday, July 13, 2024.
Alyssa Goelzer/The Forum

While Drexler and HRND will look to decrease costs, they will not try to do that at the expense of the horsemen, as they hope to keep purses for each race flat or increase them in 2025.

"I don't want to cut the purses at all, that would be the last thing we would cut," HRND President Jay Aslop said.

"That is what our goal is, to promote racing and to increase race dates," Drexler said.
"The day the finances don't look the same, that is when we need to make a change."

Live racing receives additional funds from the North Dakota Racing Commission. The commission will meet in February to determine the amount of funds that will be granted

to the Fargo track as well as Chippewa Downs, the second horse racing track in North Dakota near Belcourt.

Overcoming financial struggles

Heavy special assessments loomed over the North Dakota Horse Park for several years after it opened.

In 2003, the city of Fargo spent \$1.5 million to extend sewer, water and other infrastructure to the track. The city planned to recoup the costs with special assessments, a kind of property tax assessed to benefiting properties, but the city agreed to suspend the assessments for five years in hopes that the race track would stimulate the development of commercial and residential properties. This would spread the assessments over more property owners and create a smaller bill for the track, which in 2015 was about \$1.9 million.

The track is now in repayment of its taxes, making annual payments to the city of Fargo, and accountants are confident a fourth weekend of racing in 2025 will not adversely affect the track.

"I don't have any concerns about running a fourth weekend this year," Slaughter said.

Horse racing will be held at the Fargo track in 2025 over four weekends, likely July 12 through Aug. 3, track officials said.

"(It will be) some combination of either Friday, Saturday or Saturday, Sunday depending on what other events are going on in the area," said Drexler.

In 2024, attendance at the Fargo track was up overall with about 8,358 in attendance over the eight race days, up from about 8,127, in 2023.

The Fargo track held horse races on Saturday and Sunday afternoons for four consecutive weekends, starting Saturday, July 13. The weekend of July 27-28, races were held in the evening so as to not compete with the Fargo AirSho. The horse park competed for attendance each weekend as the Fargo Street Fair, Red River Valley Fair and the Renaissance Fair overlapped the schedule. The horse park's closing weekend coincided with WeFest.

The track hosted only three weekends of racing in 2022 and 2023, as it was constricted to operating expenses and the amount of money granted for a live season by the North Dakota Racing Commission. The Fargo track hosted a four-week meet in 2021 but held only two weekends in 2020.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2023
1/23/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

9:54 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Governors Budget Recommendation.

9:54 a.m. Brady Larson, Legislative Council, testified in neutral and submitted testimony #33243.

9:56 a.m. Bruce Johnson, Executive Director, ND Racing Commission, testified in favor.

10:04 a.m. Chairman Sorvaag recessed the meeting.

10:07 a.m. Chairman Sorvaag reconvened the meeting.

10:08 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk



Racing Commission - Budget No. 670
Agency Worksheet - Senate Bill No. 2023

	Executive Budget				Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	2.00	\$458,077	\$172,257	\$630,334	2.00	\$458,077	\$172,257	\$630,334
2025-27 Ongoing Funding Changes								\$0
Salary increase		\$15,703	\$827	\$16,530				0
Health insurance increase		11,410	601	12,011				0
Funding to replace 23-25 vacant FTE pool		5,645	298	5,943				0
Information technology rate increases			3,347	3,347				0
Internship program		20,000		20,000				0
Total ongoing funding changes	0.00	\$52,758	\$5,073	\$57,831	0.00	\$0	\$0	\$0
One-Time Funding Items								\$0
Copier replacement		\$13,000		\$13,000				
Total one-time funding changes	0.00	\$13,000	\$0	\$13,000	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$65,758	\$5,073	\$70,831	0.00	\$0	\$0	\$0
2025-27 Total Funding	2.00	\$523,835	\$177,330	\$701,165	2.00	\$458,077	\$172,257	\$630,334
Federal funds included in other funds			\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	11.5%	2.9%	9.2%	0.0%	0.0%	0.0%	0.0%
Total changes - Percentage of base level	0.0%	14.4%	2.9%	11.2%	0.0%	0.0%	0.0%	0.0%

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division Sakakawea Room, State Capitol

SB 2023
1/24/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

8:58 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Scott Meyer, Senator Donald Schaible, Senator Paul J. Thomas.

Discussion Topics:

- Line-Item Explanation.
- Racing Commission Budget.

9:00 a.m. Adam Mathiak, Fiscal Analyst, Legislative Council, testified in neutral and referenced testimony #31709.

9:04 a.m. Senator Meyer moved to adopt amendment LC #25.0190.10001 and submitted testimony in favor #31709.

9:05 a.m. Senator Schaible seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

9:05 a.m. Senator Meyer Moved a Do Pass as amended.

9:05 a.m. Senator Schaible seconded.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0

9:06 a.m. Senator Meyer will carry the bill.

Senate Appropriations Education and Environment Division
SB 2023
01/24/25
Page 2

9:07 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

25.0190.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

January 23, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2023

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 racing commission.

3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds, to the
7 North Dakota racing commission for the purpose of defraying the expenses of the North Dakota
8 racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
9 follows:

10			Adjustments or	
11		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12	Racing commission	\$630,334	\$0	\$630,334
13	Total all funds	\$630,334	\$0	\$630,334
14	Less other funds	172,257	0	172,257
15	Total general fund	\$458,077	\$0	\$458,077
16	Full-time equivalent positions	2.00	0.00	2.00
17	<u>Racing commission</u>	<u>\$630,334</u>	<u>\$63,755</u>	<u>\$694,089</u>
18	<u>New and vacant FTE pool</u>	<u>0</u>	<u>4,953</u>	<u>4,953</u>
19	<u>Total all funds</u>	<u>\$630,334</u>	<u>\$68,708</u>	<u>\$699,042</u>

Sixty-ninth
Legislative Assembly

1	<u>Less other funds</u>	<u>172,257</u>	<u>4,967</u>	<u>177,224</u>
2	<u>Total general fund</u>	<u>\$458,077</u>	<u>\$63,741</u>	<u>\$521,818</u>
3	<u>Full-time equivalent positions</u>	<u>2.00</u>	<u>0.00</u>	<u>2.00</u>

4 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

5 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
6 items included in the appropriation in section 1 of this Act which are not included in the entity's
7 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
8 committees of the seventieth legislative assembly regarding the use of this funding:

9	<u>One-Time Funding Description</u>	<u>General Fund</u>
10	Copier replacement	<u>\$13,000</u>
11	Total	\$13,000

12 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The

13 racing commission may not spend funds appropriated in the new and vacant FTE pool line item
14 in section 1 of the Act, but may request the office of management and budget to transfer funds
15 from the new and vacant FTE pool line item to the racing commission line item in accordance
16 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
17 sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2023 - Racing Commission - Senate Action**

	Base Budget	Senate Changes	Senate Version
New and vacant FTE pool Racing Commission	\$630,334	\$4,953 63,755	\$4,953 694,089
Total all funds	\$630,334	\$68,708	\$699,042
Less estimated income	172,257	4,967	177,224
General fund	\$458,077	\$63,741	\$521,818
FTE	2.00	0.00	2.00

Department 670 - Racing Commission - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adds Funding for Information Technology Increase ⁴	Adds Funding for Internship Program ⁵	Adds One- Time Funding for Copier Replacement ⁶
New and vacant FTE pool Racing Commission	\$28,541	\$5,943	\$4,953 (7,076)	\$3,347	\$20,000	\$13,000
Total all funds	\$28,541	\$5,943	(\$2,123)	\$3,347	\$20,000	\$13,000
Less estimated income	1,428	298	(106)	3,347	0	0
General fund	\$27,113	\$5,645	(\$2,017)	\$0	\$20,000	\$13,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
New and vacant FTE pool Racing Commission	\$4,953 63,755
Total all funds	\$68,708
Less estimated income	4,967
General fund	\$63,741
FTE	0.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$15,703	\$827	\$16,530
Health insurance increase	11,410	601	12,011
Total	\$27,113	\$1,428	\$28,541

² Funding is added to replace 2023-25 biennium vacant FTE pool funding.

³ Funding of \$7,076 is removed for estimated savings from vacant 2025-27 FTE positions and \$4,953 is added for a new and vacant FTE pool line item resulting in net savings of \$2,123.

⁴ Funding is added for information technology rate increases.

⁵ Ongoing funding is added to continue the internship program.

⁶ One-time funding is added to replace a copier.

A section is added regarding the use of funding in the new and vacant FTE pool line item.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2023
1/27/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

8:59 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Internship Programs
- New and Vacant FTE Pool
- Amendments to SB 2023

9:00 a.m. Senator Meyer introduced the bill and the amendment LC 25.0190.01001 and submitted testimony #32092.

9:15 a.m. Senator Meyer moved to adopt the amendment LC 25.0190.01001.

9:16 a.m. Senator Schaible seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

9:17 a.m. Senator Meyer moved a Do Pass as Amended.

9:17 a.m. Senator Schaible seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Meyer will carry the bill.

9:18 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

25.0190.01001
Title.02000
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

January 23, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2023

Introduced by

Appropriations Committee

JA 1-27-25
1082

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 racing commission.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
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12 Racing commission	\$630,334	\$0	\$630,334
13 Total all funds	\$630,334	\$0	\$630,334
14 Less other funds	172,257	0	172,257
15 Total general fund	\$458,077	\$0	\$458,077
16 Full-time equivalent positions	2.00	0.00	2.00
17 Racing commission	\$630,334	\$63,755	\$694,089
18 New and vacant FTE pool	0	4,953	4,953
19 Total all funds	\$630,334	\$68,708	\$699,042

JB 2082

1	Less other funds	172,257	4,967	177,224
2	Total general fund	\$458,077	\$63,741	\$521,818
3	Full-time equivalent positions	2.00	0.00	2.00

4 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
5 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
6 items included in the appropriation in section 1 of this Act which are not included in the entity's
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8 committees of the seventieth legislative assembly regarding the use of this funding:

9	<u>One-Time Funding Description</u>	<u>General Fund</u>
10	Copier replacement	<u>\$13,000</u>
11	Total	\$13,000

12 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
13 racing commission may not spend funds appropriated in the new and vacant FTE pool line item
14 in section 1 of the Act, but may request the office of management and budget to transfer funds
15 from the new and vacant FTE pool line item to the racing commission line item in accordance
16 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
17 sixty-ninth legislative assembly.

**REPORT OF STANDING COMMITTEE
SB 2023**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0190.01001](#)) and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2023 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

1-27-25

25.0190.01001
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

January 23, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2023

Introduced by

Appropriations Committee

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17 <u>Racing commission</u>	<u>\$630,334</u>	<u>\$63,755</u>	<u>\$694,089</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>4,953</u>	<u>4,953</u>
19 <u>Total all funds</u>	<u>\$630,334</u>	<u>\$68,708</u>	<u>\$699,042</u>

1	<u>Less other funds</u>	<u>172,257</u>	<u>4,967</u>	<u>177,224</u>
2	<u>Total general fund</u>	<u>\$458,077</u>	<u>\$63,741</u>	<u>\$521,818</u>
3	<u>Full-time equivalent positions</u>	<u>2.00</u>	<u>0.00</u>	<u>2.00</u>

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17 sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2023 - Racing Commission - Senate Action**

	Base Budget	Senate Changes	Senate Version
New and vacant FTE pool		\$4,953	\$4,953
Racing Commission	\$630,334	63,755	694,089
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Less estimated income	172,257	4,967	177,224
General fund	\$458,077	\$63,741	\$521,818
FTE	2.00	0.00	2.00

Department 670 - Racing Commission - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adds Funding for Information Technology Increase ⁴	Adds Funding for Internship Program ⁵	Adds One- Time Funding for Copier Replacement ⁶
New and vacant FTE pool			\$4,953			
Racing Commission	\$28,541	\$5,943	(7,076)	\$3,347	\$20,000	\$13,000
Total all funds	\$28,541	\$5,943	(\$2,123)	\$3,347	\$20,000	\$13,000
Less estimated income	1,428	298	(106)	3,347	0	0
General fund	\$27,113	\$5,645	(\$2,017)	\$0	\$20,000	\$13,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
New and vacant FTE pool	\$4,953
Racing Commission	63,755
Total all funds	\$68,708
Less estimated income	4,967
General fund	\$63,741
FTE	0.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$15,703	\$827	\$16,530
Health insurance increase	11,410	601	12,011
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² Funding is added to replace 2023-25 biennium vacant FTE pool funding.

³ Funding of \$7,076 is removed for estimated savings from vacant 2025-27 FTE positions and \$4,953 is added for a new and vacant FTE pool line item resulting in net savings of \$2,123.

⁴ Funding is added for information technology rate increases.

⁵ Ongoing funding is added to continue the internship program.

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A section is added regarding the use of funding in the new and vacant FTE pool line item.

2025 HOUSE APPROPRIATIONS

SB 2023

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

SB 2023

3/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

10:22 a.m. Chairman Monson opened the meeting.

Members Present: Chairman Monson, Vice Chair Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Racing Commission Budget Overview
- Account Deposit Wagering (ADW)
- Dog Racing Wagering in ND
- Employee Breakdown for Racing Commission

10:23 a.m. Bruce Johnson, Executive Director, Racing Commission, testified in favor.

Additional written testimony:

Brady Larson, Fiscal Analyst, Legislative Council, submitted neutral testimony #39545.

10:47 a.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



Racing Commission - Budget No. 670
Agency Worksheet - Senate Bill No. 2023

	Armstrong Executive Budget				Senate Version				Senate Compared to Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	2.00	\$458,077	\$172,257	\$630,334	2.00	\$458,077	\$172,257	\$630,334	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$15,703	\$827	\$16,530		\$15,703	\$827	\$16,530				\$0
Health insurance increase		11,410	601	12,011		11,410	601	12,011				0
Funding to replace 2023-25 vacant FTE pool		5,645	298	5,943		5,645	298	5,943				0
2025-27 new and vacant FTE pool				0		(2,017)	(106)	(2,123)		(\$2,017)	(\$106)	(2,123)
Information technology rate increases			3,347	3,347			3,347	3,347				0
Internship program		20,000		20,000		20,000		20,000				0
Total ongoing funding changes	0.00	\$52,758	\$5,073	\$57,831	0.00	\$50,741	\$4,967	\$55,708	0.00	(\$2,017)	(\$106)	(\$2,123)
One-Time Funding Items												
Copier replacement		\$13,000		\$13,000		\$13,000		\$13,000				\$0
Total one-time funding changes	0.00	\$13,000	\$0	\$13,000	0.00	\$13,000	\$0	\$13,000	0.00	\$0	\$0	\$0
Total Changes to Base Level Funding	0.00	\$65,758	\$5,073	\$70,831	0.00	\$63,741	\$4,967	\$68,708	0.00	(\$2,017)	(\$106)	(\$2,123)
2025-27 Total Funding	2.00	\$523,835	\$177,330	\$701,165	2.00	\$521,818	\$177,224	\$699,042	0.00	(\$2,017)	(\$106)	(\$2,123)
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	11.5%	2.9%	9.2%	0.0%	11.1%	2.9%	8.8%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	14.4%	2.9%	11.2%	0.0%	13.9%	2.9%	10.9%	N/A	N/A	N/A	N/A

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

SB 2023
3/18/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

10:01 a.m. Chairman Monson opened the meeting.

Members Present: Chairman Monson, Vice Chair Brandenburg, Representatives: Bosch, Fisher, Kempenich, Meier, Pyle.

Discussion Topics:

- New copier
- Internship program for Racing Commission
- Horse Racing Funding
- Greyhound racing in North Dakota
- Historic Horse Racing in North Dakota
- Income from Dog Racing
- Account Deposit Wagering

10:03 a.m. Lacey Anderson, Lobbyist, Churchill Downs, commented on possible amendment.

10:03 a.m. Bruce Johnson, Executive Director, Racing Commission, testified in favor and submitted testimony #41597.

10:10 a.m. Chairman Monson referenced the previous long sheet #39545.

10:14 a.m. Senator Myrdahl, District 19, testified in favor and provided amendment LC# 25.0190.02001, #42826.

10:33 a.m. Lacey Anderson, Lobbyist, Churchill Downs, testified in neutral, in favor of horse racing and in opposition of dog racing.

11:01 a.m. Chairman Monson closed the meeting.

Madaline Cooper, Committee Clerk

Senate Bill 2023
ND Racing Commission
Bruce Johnson, Director
January 13, 2025

69th. Legislative Assembly
Senate Appropriations Committee
Senator Brad Bekkedahl, Chairman

To the Honorable Chairman Senator Bekkedahl and other Honorable members of the Senate Appropriations Committee. Thank you for the opportunity to appear before you to present my testimony for SB 2023, the ND Racing Commission (NDRC) 2025-27 biennium budget.

The North Dakota Racing Commission holds five key responsibilities...

Regulation of Horse Racing

Enforce state laws and rules governing pari-mutuel wagering and horse racing.

Issue licenses to participants, including trainers, jockeys, owners, and racing officials.

Ensure compliance with rules to maintain fairness and transparency.

Oversight of Pari-Mutuel Wagering

Regulate and monitor betting systems to ensure accuracy and legality.

Protect bettors and maintain public confidence in wagering operations.

Promotion of Horse Racing

Encourage the development of horse racing as an economic activity.

Support the breeding and training of racehorses in North Dakota.

Partner with stakeholders to expand racing-related opportunities and events.

Safety and Welfare

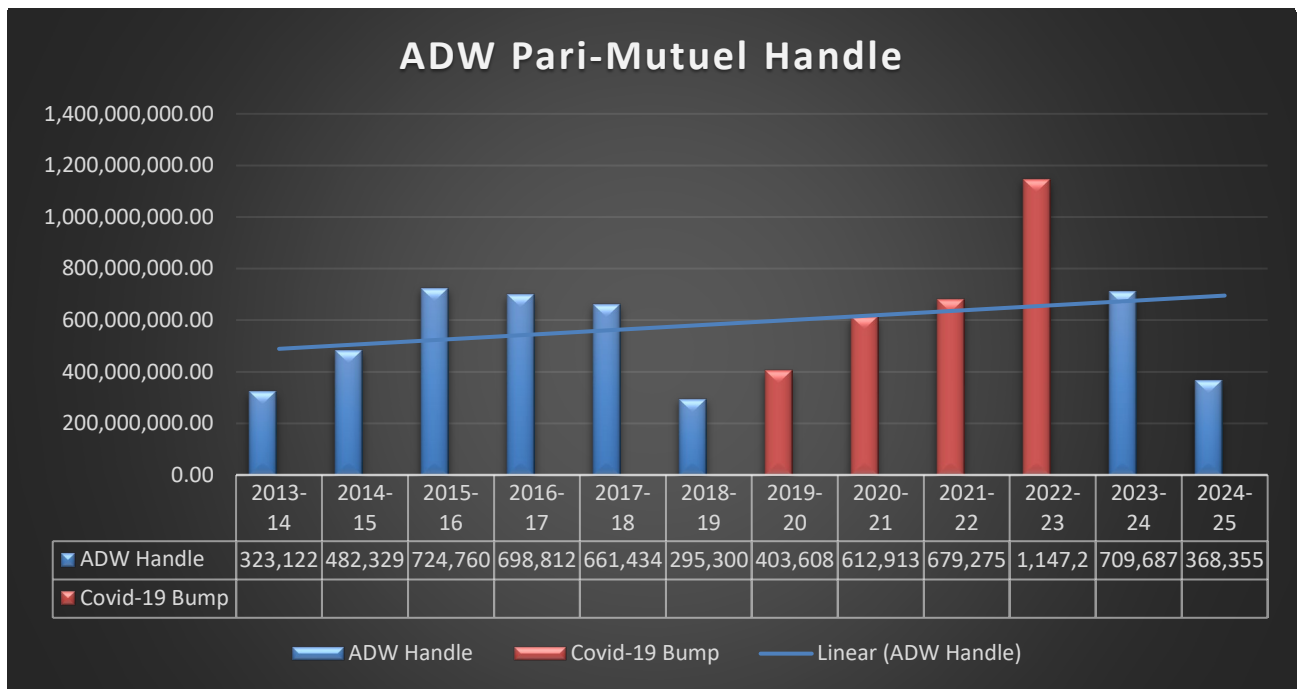
Protect the welfare of horses and participants by enforcing safety standards.

Conduct drug testing for horses and personnel to prevent performance-enhancing substances or abuse.

Allocation of Funds

Administer and distribute funds from pari-mutuel wagering to support racing purses, horse breeding programs, and other industry initiatives.

The future of racing in North Dakota has some significant risks and challenges going forward. One such risk is the effect of the Advanced Deposit Wagering (ADW's) markets on our commissions tax revenues. With the, (post-Covid), decline of retail ADW operations, revenues are more and more dependent upon high-volume bettors. We are seeing that minor changes in a company's business structure, regulatory changes in other jurisdictions, or rate differences between companies result in significant shifts in wagering volume away from the North Dakota licensed and regulated operations. These facts are demonstrated by the actual wagering volume during the 2024 calendar year as shown by the graph below.

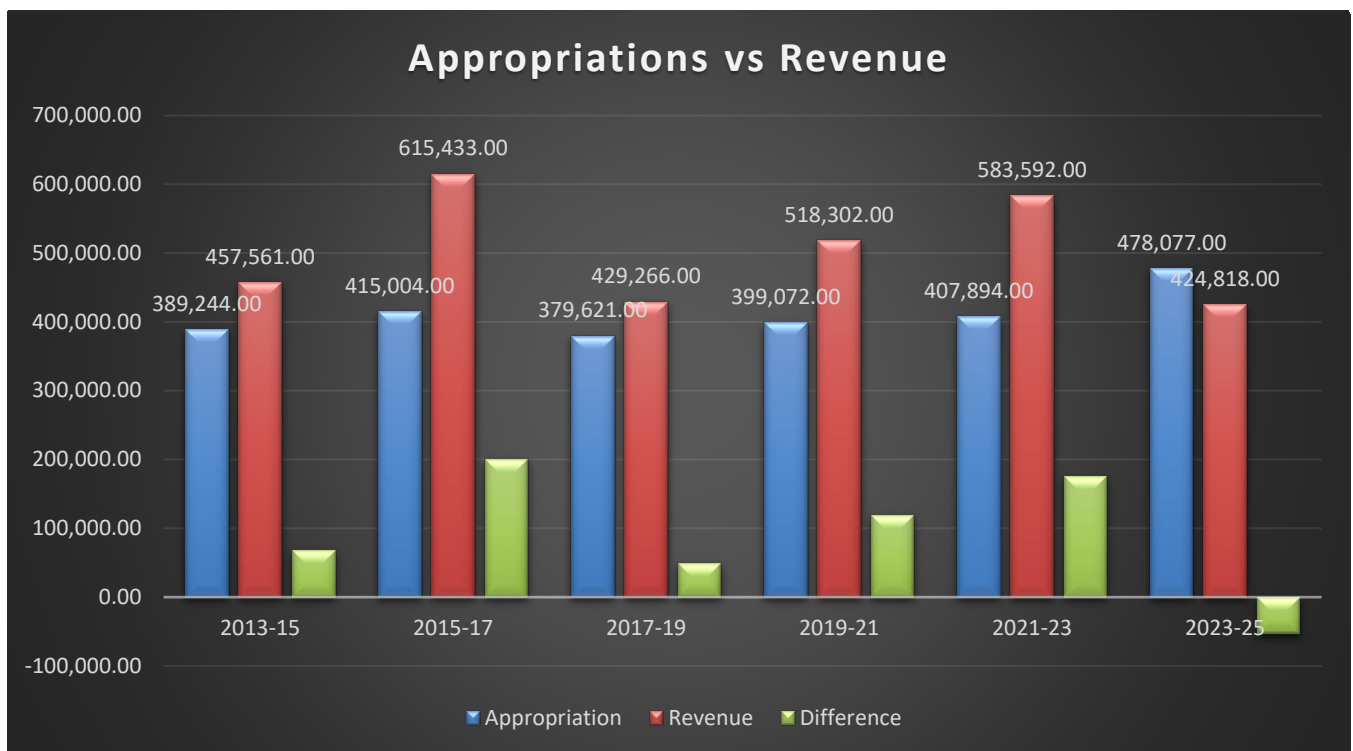


Although we fully expect ADW wagering handle to bounce back in second half of this fiscal year, if the pandemic has taught us anything, it's that anything can happen.

While the Commission has done its best to plan and mitigate the effects of any market changes, significant impacts to our ADW partners wagering volume are omnipresent. COVID-19 created an unanticipated year for ADW in 2020 with wagering and revenues far exceeding our expectations. In that year, and the following 3 years, an initial boon was created however, we are beginning to see a reduction in those numbers beginning in 2024. It is therefore imperative that the North Dakota Racing Commission stands ready to defend the business model our licensed ADW's have built. Moving forward, the racing industry in the state must identify and obtain more reliable sources of revenue by attracting more ADW's to license with our state. One major blow to our licensed ADW models has been the increased pressure from animal rights groups.

Advocates for the rights of racing animals like the Greyhound have made significant progress in disrupting that sport by attacking the pari-mutuel wagering side. Although not legal in North Dakota, many of our ADW's, and simulcast facilities, support wagering on Greyhound racing worldwide. Groups such as Grey2K will be looking to eliminate this important stream of revenue for our ADW partners which in turn effects our agencies revenue generated from taxation on the overall wagering handle.

Even in these volatile times, budget wise, the NDRC has been able to maintain its payments to the general fund exceeding our appropriations for the past 5 biennia.



The Racing Commission fully expects to continue this trend through the end of this current biennium and beyond.

Additionally, in the 2025-27 biennium we are requesting \$ 20,000 for up to 2 Interns each year to work at our office and at the live race meets. The desire is to assist university students in agriculture programs to learn and experience the horse racing industry firsthand and to generate more interest in this industry with our state's young adults.

We have also requested a one-time funding increase of \$13,000. xx for a new office printer / copier.

North Dakota Century Code

Chapter 53-06.2. The agency's major responsibilities include:

- Provide for racing under the certificate system.

- Administration of the Breeders, Purse, Promotion and Operating Funds.

- Administration of licensing for Service Providers/Account Deposit Wagering (ADW's), Totalizator, Charity/Site Operators, Live Race Meets and Individual occupational licenses.

- Adopt regulatory rules for all licensees and events.

Purpose of programs:

- Breeders Fund – established to financially reward breeders or owners of North Dakota-bred horses.

- Purse Fund – established to supplement and improve purses at racetracks within the state.

- Promotion Fund – established to assist in improving and upgrading racetracks in the state, promoting horse racing in the state, and developing new racetracks in the state as necessary and approved by the commission.

An Organizational Chart is listed on the last page.

Audit Findings

Financial Audit Findings for 2021-23. (Last Audit)

None

2023-25 Biennium Accomplishments and Challenges

Live race meets were held in Belcourt (Chippewa Downs) and Fargo (ND Horse Park) this past summer. Despite the reduction ADW handle & revenue Purses and Breed Fund awards remained the same.

Attendance was up at both facilities while pari-mutuel wagering handle remained unchanged. Race fans came out for the racing.

We have increased our licensee base by an important 2 ADW operations. In 2023 we welcomed Xpressbet and in 2024 we welcomed AmWager.

We have paid out about a million dollars from our Purse, Breeders and Promotion Funds to Tracks, Breeders and Horsemen this Biennium, supporting the racing community in these difficult times. We are anticipating that number will not decrease in 2025-27.

In 2024, The Racing Commission passed and instituted a partnership with WDAY to promote racing in North Dakota via with a \$ 50,000.xx television and social media campaign paid for by our racing promotion fund.

2025-27 Biennium Goals & Plans

Our goal in the next biennium is to increase Purse amounts to attract more horses from out of state. Although we will always prioritize North Dakota bred animals, competition in horse racing is proven to bring out the best in any program.

New Agency Positions 2023-25

No new positions requested for 2023-25.

Agency Turnover 2023-25

No Turnover considered during 2023-25.

Funding

2025-27 Explanation of Funding

100% of our General Fund Appropriations go towards Salaries and Benefits with additional funding for salaries and benefits coming from our operating fund.

All other appropriations come from our special/operating fund which is funded through licensing and registration fees set by the commission. Costs associated with the operating fund include...

Rent
Record Keeping
Data Processing Costs (NDIT)

Other Funding.

Grants; None
Special Line Items; None
Capital Assets; None

Changes to FTE.

None

One-Time Funding Current Biennium 2023-25

One-time funding 2023-25 included \$ 20,000. xx funding for two interns to participate in our ongoing Internship Program with the NDRC.

One-Time Funding Requests Next Biennium 2025-27

Printer / Copier - \$13,000. xx

Agency Collections and Deposits

General Fund – Deposits are from collecting taxes from the ADWs.
2023-25 estimate was \$ 466,686. xx

Currently deposited - \$ 424,818. xx; on target to meet or exceed the estimate for this biennium.

Estimated for 2025-27 is \$ 420,000. xx

Special Fund – Deposits are derived from fees from licensing and breed fund registrations.

2023-25 estimate was \$ 135,461.

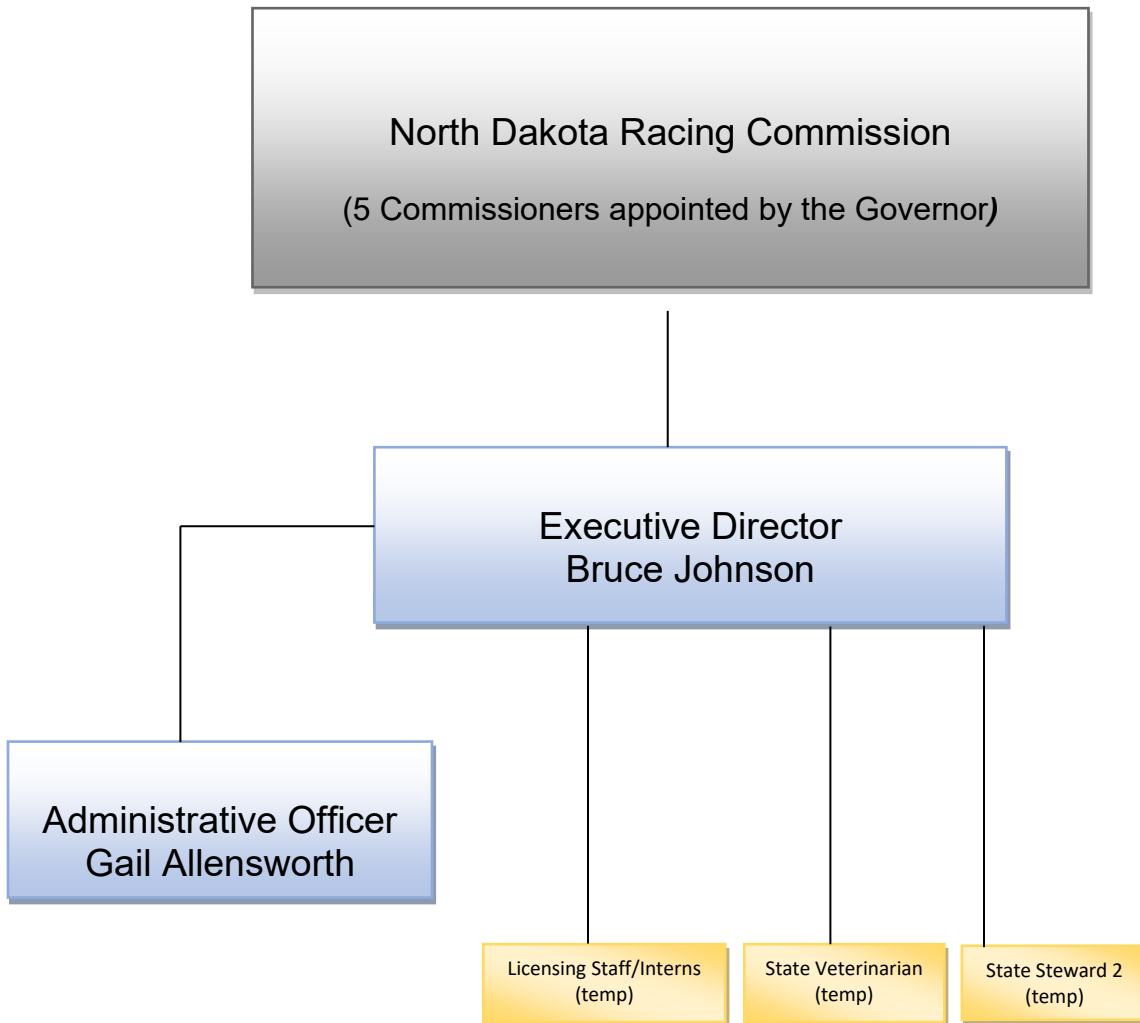
Currently deposited - \$ 129,055. We should be very close to meeting this estimate.

We would request that we maintain our current budget without any reductions from the 2023-25 biennium budget authorizations of \$ 478,077. xx

New Legislation

The Racing Commission has not committed to any new legislation the session. Although past attempts seemed rational and well thought out, they were not passed for a reason. More dedication and experience should make these past failed legislation attempts possible. For this session, the Racing Commission will be looking out for legislative activity which could be beneficial and reason to get behind. We are also watching out for the real possibility of legislation aimed directly, or indirectly, at limiting our ADW partners from maximizing their wagering handle potential.

Organizational Chart



25.0190.02001
Title.

Prepared by the Legislative Council
staff for Senator Myrdal
March 17, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2023

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 racing commission; to create and enact two new sections to chapter 53-06.2 of the North
3 Dakota Century Code, relating to historic horse race wagering; to amend and reenact section
4 53-06.2-01, subsection 5 of section 53-06.2-04, subsection 4 of section 53-06.2-05, and
5 sections 53-06.2-06, 53-06.2-08, 53-06.2-10, and 53-06.2-11 of the North Dakota Century
6 Code, relating to historic horse race wagering.

7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
9 as may be necessary, are appropriated out of any moneys in the general fund in the state
10 treasury, not otherwise appropriated, and from other funds derived from special funds, to the
11 North Dakota racing commission for the purpose of defraying the expenses of the North Dakota
12 racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
13 follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
16 Racing commission	\$630,334	\$63,755	\$694,089
17 New and vacant FTE pool	<u>0</u>	<u>4,953</u>	<u>4,953</u>
18 Total all funds	\$630,334	\$68,708	\$699,042
19 Less other funds	<u>172,257</u>	<u>4,967</u>	<u>177,224</u>

1	Total general fund	\$458,077	\$63,741	\$521,818
2	Full-time equivalent positions	2.00	0.00	2.00

3 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

4 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
5 items included in the appropriation in section 1 of this Act which are not included in the entity's
6 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
7 committees of the seventieth legislative assembly regarding the use of this funding:

8	<u>One-Time Funding Description</u>	<u>General Fund</u>
9	Copier replacement	<u>\$13,000</u>
10	Total	\$13,000

11 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
12 racing commission may not spend funds appropriated in the new and vacant FTE pool line item
13 in section 1 of the Act, but may request the office of management and budget to transfer funds
14 from the new and vacant FTE pool line item to the racing commission line item in accordance
15 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
16 sixty-ninth legislative assembly.

17 **SECTION 4. AMENDMENT.** Section 53-06.2-01 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **53-06.2-01. Definitions.**

20 As used in this chapter:

- 21 1. "Breeders' fund" means a fund, administered by the commission, established to
22 financially reward breeders or owners of North Dakota-bred horses to be paid in
23 accordance with rules as approved by the commission.
- 24 2. "Certificate system" means the system of betting described in section 53-06.2-10.
- 25 3. "Charitable organization" means a nonprofit organization operated for the relief of
26 poverty, distress, or other conditions of public concern in this state and has been so
27 engaged in this state for at least two years.
- 28 4. "Civic and service club" means a branch, lodge, or chapter of a nonprofit national or
29 state organization that is authorized by its written constitution, charter, articles of
30 incorporation, or bylaws to engage in a civic or service purpose in this state and has
31 so existed in this state for at least two years. The term includes a similar local

1 nonprofit organization, not affiliated with a state or national organization, which is so
2 recognized by a resolution adopted by the governing body of the local jurisdiction in
3 which the organization conducts its principal activities, and which has existed in this
4 state for at least two years.

5 5. "Commission" means the North Dakota racing commission.

6 6. "Equine racing facility" means a horse racing facility that conducts at least eight live
7 horse races in a calendar year, which may not all occur within four or fewer
8 consecutive calendar weeks, and which has a minimum racing infrastructure
9 consisting of:

10 a. A five-furlong [1005.84 meters] dirt track for flat racing;

11 b. Capacity for no fewer than five hundred individuals; and

12 c. Barns with no fewer than fifty permanent stalls.

13 7. "Executive director" means the executive director of the commission.

14 ~~7-8.~~ "Fraternal organization" means a nonprofit organization in this state, which is a
15 branch, lodge, or chapter of a national or state organization and exists for the common
16 business, brotherhood, or other interests of its members, and has so existed in this
17 state for two years. The term does not include a college or high school fraternity.

18 ~~8-9.~~ "Historic horse race" means any horse race that was previously conducted by a
19 licensed pari-mutuel facility, concluded with official results, and concluded without
20 scratches, disqualifications, or dead-heat finishes.

21 10. "Local jurisdiction" means, with respect to a site inside the city limits of a city, that city,
22 and with respect to a site not inside the city limits of a city, the county in which the site
23 is located.

24 ~~9-11.~~ "Other public-spirited organization" means a nonprofit organization recognized by the
25 governing body of the appropriate local jurisdiction by resolution as public-spirited and
26 eligible under this chapter.

27 ~~10-12.~~ "Pari-mutuel wagering" means a method of wagering approved by the commission in
28 which one or more patrons wager on a horse race, whether the race is a live,
29 simulcast, or historic horse race.

30 13. "Purse fund" means a fund, administered by the commission, established to
31 supplement and improve purses offered at racetracks within the state.

1 ~~41.14.~~ "Racing" means live or simulcast horse racing under the certificate system or
2 simulcast dog racing under the certificate system.

3 ~~42.15.~~ "Racing promotion fund" means a fund administered by the commission established to
4 assist in improving and upgrading racetracks in the state, promoting horse racing in
5 the state, and developing new racetracks in the state as necessary and approved by
6 the commission.

7 ~~43.16.~~ "Religious organization" means a nonprofit organization, church, body of
8 communicants, or group gathered in common membership for mutual support and
9 edification in piety, worship, and religious observances, and which has been so
10 gathered or united in this state for at least two years.

11 ~~44.17.~~ "Veterans' organization" means a congressionally chartered organization in this state,
12 or a branch, lodge, or chapter of a nonprofit national or state organization in this state,
13 the membership of which consists of individuals who were members of the armed
14 services or forces of the United States, and which has so been in existence in this
15 state for at least two years.

16 **SECTION 5. AMENDMENT.** Subsection 5 of section 53-06.2-04 of the North Dakota
17 Century Code is amended and reenacted as follows:

18 5. Adopt rules governing, restricting, or regulating bids on licensees' concessions and
19 leases on equipment, and governing historic horse racing.

20 **SECTION 6. AMENDMENT.** Subsection 4 of section 53-06.2-05 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 4. License all participants in the racing ~~and~~, simulcast, advance deposit wagering, and
23 historic horse race pari-mutuel wagering industry and require and obtain information
24 the commission deems necessary from license applicants. Licensure of service
25 providers, totalizator companies, site operators, and organizations applying to conduct
26 or conducting pari-mutuel wagering must be approved by the attorney general. The
27 attorney general may not grant a license denied by the commission. The commission
28 may obtain a statewide and nationwide criminal history record check from the bureau
29 of criminal investigation for the purpose of determining suitability or fitness for a
30 license. The nationwide check must be conducted in the manner provided in section

12-60-24. All costs associated with obtaining a background check are the responsibility of the applicant for a license.

SECTION 7. AMENDMENT. Section 53-06.2-06 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-06. Organizations eligible to conduct ~~racing~~ and ~~simulcast~~ assist in conducting pari-mutuel wagering.

~~Civic and service clubs; charitable, fraternal, religious, and veterans' organizations; and other public-spirited~~

1. Public-spirited organizations the primary purpose of which is for equine education,

community recreation, and economic development may be licensed to ~~conduct racing and simulcast~~ assist in conducting pari-mutuel wagering as authorized by this chapter.

2. The following types of organizations may be licensed to conduct simulcast pari-mutuel wagering under this chapter:

a. Civic and service clubs;

b. Charitable, fraternal, religious, and veterans' organizations; and

c. Other public-spirited organizations.

SECTION 8. AMENDMENT. Section 53-06.2-08 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-08. License authorization and fees.

1. Each license issued under the certificate system must describe the place, track, or racecourse at which the licensee may hold races. Every license must specify the number of days the licensed races may continue, the hours during which racing may be conducted, and the number of races that may be held each day. Races authorized under this chapter may be held during the hours approved by the commission and within the hours permitted by state law.

2. Wagering on historic horse races may be conducted:

a. At only one equine racing facility in the state.

b. On any day, regardless of whether live racing or simulcasting is taking place.

3. The commission may charge a license fee for racing commensurate with the size and attendance of the race meet.

1 ~~3.4.~~ Each applicant for a license under this chapter shall give bond or a letter of credit
2 payable to this state with good security as approved by the commission. The bond or
3 letter of credit must be in the amount the commission determines will adequately
4 protect the amount normally due and owing to this state in a regular payment period
5 or, in the case of new or altered conditions, based on the projected revenues.

6 ~~4.5.~~ The commission may grant licenses to horse owners, jockeys, riders, agents, trainers,
7 grooms, stable foremen, exercise workers, veterinarians, valets, concessionaires,
8 service providers, employees of racing associations, and such other persons as
9 determined by the commission. Licensure of service providers, totalizator companies,
10 site operators, and organizations applying to conduct or conducting pari-mutuel
11 wagering must be approved by the attorney general. The attorney general may not
12 grant a license denied by the commission. License fees are as established by the
13 commission.

14 ~~5.6.~~ The commission may establish the period of time for which licenses issued under this
15 chapter are valid.

16 ~~6.7.~~ The commission shall deposit all fees collected under this section in the racing
17 commission operating fund. Subject to legislative appropriation, the commission may
18 spend the fees for operating costs of the commission.

19 **SECTION 9. AMENDMENT.** Section 53-06.2-10 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **53-06.2-10. Certificate system - Rules.**

22 The certificate system allows a licensee to receive money from any person ~~present at~~ on a
23 ~~live, simulcast, or historic horse or dog race, simuleast horse race, or simuleast dog race who~~
24 ~~desires to bet on any entry in that race.~~ A person betting on an entry to win acquires an interest
25 in the total money bet on all entries in the race, in proportion to the amount of money bet by that
26 person, under rules adopted by the commission. The licensee shall receive the bets and for
27 each bet on a live or simulcast horse race shall issue a certificate to the bettor on which is at
28 least shown the number of the race, the amount bet, and the number or name of the entry
29 selected by the bettor. A certificate may not be issued for a wager on a historic horse race. The
30 commission may adopt rules for place, show, quinella, combination, or other types of ~~betting-~~
31 ~~usually connected with racing~~ pari-mutuel wagering.

1 **SECTION 10.** A new section to chapter 53-06.2 of the North Dakota Century Code is
2 created and enacted as follows:

3 Historic horse race wagering.

- 4 1. In accordance with pari-mutuel wagering under the certificate system, and if
5 conducted at an equine racing facility, pari-mutuel wagering on historic horse races
6 may be conducted in accordance with this chapter or rules adopted by the
7 commission. An equine racing facility under this chapter may offer wagering on historic
8 horse races on electronic devices if:
- 9 a. Wagering is conducted within an equine racing facility, using the pari-mutuel
10 method of wagering;
- 11 b. A licensee maintains no fewer than two terminals offering the same type of wager
12 on historic horse races;
- 13 c. The terminal used for conducting a historic horse race:
- 14 (1) Provides true and accurate past performance information on each historic
15 horse race before a patron makes selections;
- 16 (2) Displays the official results of each race;
- 17 (3) Has been tested by an independent testing laboratory to ensure integrity
18 and proper working order; and
- 19 (4) Displays pool amounts the patron will receive for a winning wager; and
- 20 d. The identity of each race is revealed to the patron after the patron has placed a
21 wager.
- 22 2. The terminal used for conducting a historic horse race may display a photographic
23 recording or digital simulation or recreation of a portion of the race.
- 24 3. Notwithstanding any other provision of this chapter, in addition to any bond provided to
25 the attorney general as security for other licensed activity pursuant to section
26 53-06.2-08, each licensed service provider approved by the commission to offer
27 wagering on historic horse races shall post a bond of five hundred thousand dollars
28 payable to the state. A licensed service provider posting a bond under this section is
29 not required to post more than one bond in the amount of five hundred thousand
30 dollars, regardless of the number of simulcast facilities at which it offers wagers on
31 historic horse races.

SECTION 11. A new section to chapter 53-06.2 of the North Dakota Century Code is created and enacted as follows:

Racing commission operating fund.

There is created in the state treasury the racing commission operating fund. The fund consists of all racing taxes, monetary fines, and interest and penalties collected under this chapter.

SECTION 12. AMENDMENT. Section 53-06.2-11 of the North Dakota Century Code is amended and reenacted as follows:

53-06.2-11. Bet payoff formulas - Uses by licensee of funds in excess of expenses - Payment to general fund.

1. For wagering on live horse racing:

a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than twenty percent of the amount wagered. Of the amount wagered, the licensee shall pay:

(1) One-half of one percent to the state treasurer to be deposited in the

~~general~~racing commission operating fund.

(2) One-half of one percent to the commission to be deposited in the breeders' fund.

(3) One-half of one percent to the commission to be deposited in the purse fund.

(4) One-half of one percent to the commission to be deposited in the racing promotion fund.

b. In daily double, quinella, exacta, trifecta, or other combination pari-mutuel pools, the licensee may deduct no more than twenty-five percent of the amount wagered. Of the amount wagered, the licensee shall pay:

(1) One-half of one percent to the state treasurer to be deposited in the

~~general~~racing commission operating fund.

(2) One-half of one percent to the commission to be deposited in the breeders' fund.

(3) One-half of one percent to the commission to be deposited in the purse fund.

- 1 (4) One-half of one percent to the commission to be deposited in the racing
2 promotion fund.
- 3 2. For simulcast and account wagering:
 - 4 a. In win, place, and show pari-mutuel pools, the licensee may deduct no more than
5 twenty percent of the amount wagered. Except as limited in subdivision c, of the
6 amount wagered by simulcast and account wagering in win, place, and show
7 pari-mutuel pools, the licensee shall pay:
 - 8 (1) One-sixteenth of one percent to the state treasurer to be deposited in the
9 ~~general~~ racing commission operating fund.
 - 10 (2) One-sixteenth of one percent to the commission to be deposited in the
11 breeders' fund.
 - 12 (3) One-sixteenth of one percent to the commission to be deposited in the
13 purse fund.
 - 14 (4) One-sixteenth of one percent to the commission to be deposited in the
15 racing promotion fund.
 - 16 b. Except as limited in subdivision c, of the amount wagered by simulcast and
17 account wagering in daily double, quinella, exacta, trifecta, or other combination
18 pari-mutuel pools, the licensee shall pay:
 - 19 (1) One-sixteenth of one percent to the state treasurer to be deposited in the
20 general fund.
 - 21 (2) One-sixteenth of one percent to the commission to be deposited in the
22 breeders' fund.
 - 23 (3) One-sixteenth of one percent to the commission to be deposited in the
24 purse fund.
 - 25 (4) One-sixteenth of one percent to the commission to be deposited in the
26 racing promotion fund.
 - 27 ~~c. For the fiscal year commencing July 1, 2013, the licensee may not pay more than~~
28 ~~four hundred thousand dollars. For the fiscal year commencing July 1, 2014, and~~
29 ~~thereafter, the licensee may not pay more than four hundred twenty thousand~~
30 ~~dollars.~~

1 3. For historic horse race wagering, the licensee may deduct no more than twenty-five
2 percent of the amount wagered. Of the amount wagered, the licensee shall pay:

3 a. One-fourth of one percent to the state treasurer to be deposited in the racing
4 commission operating fund.

5 b. One-sixth of one percent to be deposited in the breeder's fund.

6 c. One-sixth of one percent to be deposited in the purse fund.

7 d. One-sixth of one percent to be deposited in the racing promotion fund.

8 e. One-fourth of one percent to be deposited in the gambling disorder prevention
9 and treatment fund.

10 f. One-fourth of one percent to be deposited in the treasury of the city in which
11 wagering on historic horse racing takes place.

12 4. All moneys in the racing commission operating fund, in excess of those appropriated
13 by the legislative assembly for administrative and operating costs associated with the
14 racing commission, must be transferred to the general fund.

15 5. For all pari-mutuel wagering the licensee shall pay to the commission the amount due
16 for all unclaimed tickets and all breakage on the first twenty million dollars wagered in
17 each fiscal year with each service provider. The amount received must be deposited in
18 the racing promotion fund.

19 ~~4-6.~~ The licensee conducting wagering on live racing, simulcast horse racing wagering,
20 historic horse racing, or account wagering shall retain all other money in the
21 pari-mutuel pool and pay it to bettors holding winning tickets as provided by rules
22 adopted by the commission.

23 ~~6-7.~~ A licensee may not use any of the portion deducted for expenses under subsections 1
24 and 2 for expenses not directly incurred by the licensee in conducting pari-mutuel
25 racing wagering under the certificate system. ~~After paying qualifying expenses, the~~
26 ~~licensee shall use the remainder of the amount so withheld only for eligible uses~~
27 ~~allowed to charitable gambling organizations under section 53-06.1-11.1.~~

28 ~~6-8.~~ The commission shall deposit the moneys received pursuant to subsections 1, 2, ~~and~~
29 3, and 5 and from the North Dakota horse racing foundation pursuant to subsection 5
30 of section 53-06.2-05 in the breeders' fund, the purse fund, and the racing promotion
31 fund. Moneys, and any earnings on the moneys, in the breeders' fund, purse fund, and

1 racing promotion fund are appropriated to the commission on a continuing basis to
2 carry out the purposes of those funds under this chapter and must be administered
3 and disbursed in accordance with rules adopted by the commission. The commission
4 may not transfer money among the funds. The commission shall distribute in-state
5 awards and payment supplements from the breeders' fund in the same calendar year
6 the money was earned by the recipient. The commission shall distribute out-of-state
7 awards and payment supplements from the breeders' fund, if made available by the
8 commission, within two months of the end of the calendar year the money was earned
9 by the recipient. The commission shall distribute payments awarded to qualified
10 owners and breeders from the breeders' fund without requiring owners and breeders
11 to apply for the payments. ~~The commission may receive twenty-five thousand dollars~~
12 ~~per year or twenty-five percent per year, whichever is greater, from the racing~~
13 ~~promotion fund for the payment of the commission's operating expenses.~~

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

SB 2023

4/2/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

10:03 a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chair Brandenburg, Representatives: Bosch, Fisher, Meier, Pyle.

Members Absent: Representatives Kempenich

Discussion Topics:

- Committee Action

10:08 a.m. Representative Bosch moved Do Pass.

10:08 a.m. Representative Meier seconded the motion.

10:09 a.m. Representative Bosch withdrew his motion.

10:09 a.m. Representative Bosch to amend \$20,000 to one time funding and to add funding for the copier.

10:09 a.m. Representative Meier seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Brandy L. Pyle	Y

Motion carried 6-0-1

10:10 a.m. Representative Bosch moved a Do Pass as Amended.

10:10 a.m. Representative Meier seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y

Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	Y
Representative Brandy L. Pyle	Y

Motion carried 6-0-1.

Representative Bosch will carry the bill.

Additional written testimony:

Adam Mathiak, Fiscal Analyst, Legislative Council, submitted neutral testimony #44562.

10:10 a.m. Chairman Monson closed the meeting.

Madaline Cooper, Committee Clerk



Racing Commission - Budget No. 670
Agency Worksheet - Senate Bill No. 2023

	Senate Version				House Version				House Compared to Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	2.00	\$458,077	\$172,257	\$630,334	2.00	\$458,077	\$172,257	\$630,334	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Salary increase		\$15,703	\$827	\$16,530		\$15,703	\$827	\$16,530				\$0
Health insurance increase		11,410	601	12,011		11,410	601	12,011				0
Funding to replace 2023-25 vacant FTE pool		5,645	298	5,943		5,645	298	5,943				0
2025-27 new and vacant FTE pool		(2,017)	(106)	(2,123)		(2,017)	(106)	(2,123)				0
Information technology rate increases			3,347	3,347			3,347	3,347				0
Internship program		20,000		20,000		0		0		(\$20,000)		(20,000)
Total ongoing funding changes	0.00	\$50,741	\$4,967	\$55,708	0.00	\$30,741	\$4,967	\$35,708	0.00	(\$20,000)	\$0	(\$20,000)
One-Time Funding Items												
Copier replacement		\$13,000		\$13,000		\$13,000		\$13,000				\$0
One-time internship program				0		20,000		20,000		\$20,000		20,000
Total one-time funding changes	0.00	\$13,000	\$0	\$13,000	0.00	\$33,000	\$0	\$33,000	0.00	\$20,000	\$0	\$20,000
Total Changes to Base Level Funding	0.00	\$63,741	\$4,967	\$68,708	0.00	\$63,741	\$4,967	\$68,708	0.00	\$0	\$0	\$0
2025-27 Total Funding	2.00	\$521,818	\$177,224	\$699,042	2.00	\$521,818	\$177,224	\$699,042	0.00	\$0	\$0	\$0
Federal funds included in other funds			\$0				\$0				\$0	
Total ongoing changes - Percentage of base level	0.0%	11.1%	2.9%	8.8%	0.0%	6.7%	2.9%	5.7%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	13.9%	2.9%	10.9%	0.0%	13.9%	2.9%	10.9%	N/A	N/A	N/A	N/A

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2023
4/3/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota racing commission.

10:32 a.m. Chairman Vigesaa opened the meeting.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Mitskog

Discussion Topics:

- Committee Action

10:33 a.m. Representative Bosch explained the Amendment LC #25.0190.02003, #44623.

10:35 a.m. Representative Bosch Moved Amendment LC #25.0190.02003.

10:35 a.m. Representative Monson seconded the motion.

10:35 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	AB
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

10:35 a.m. Motion passed 22-0-1.

10:36 a.m. Representative Bosch moved Do Pass as Amended.

10:36 a.m. Representative Stemen seconded the motion.

10:36 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	AB
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

10:36 a.m. Motion passed 22-0-1.

10:36 a.m. Representative Bosch will carry the bill.

10:37 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

April 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2023

Introduced by

Appropriations Committee

CO
4/3/25
1043

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 racing commission.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds, to the
7 North Dakota racing commission for the purpose of defraying the expenses of the North Dakota
8 racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
9 follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Racing commission	\$630,334	\$63,755	\$694,089
13 New and vacant FTE pool	<u>0</u>	<u>4,953</u>	<u>4,953</u>
14 Total all funds	\$630,334	\$68,708	\$699,042
15 Less other funds	<u>172,257</u>	<u>4,967</u>	<u>177,224</u>
16 Total general fund	\$458,077	\$63,741	\$521,818
17 Full-time equivalent positions	2.00	0.00	2.00

18 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
19 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

1 items included in the appropriation in section 1 of this Act which are not included in the entity's
2 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
3 committees of the seventieth legislative assembly regarding the use of this funding:

4 <u>One-Time Funding Description</u>	<u>General Fund</u>
5 Copier replacement	\$13,000
6 Total	\$13,000
7 <u>Copier replacement</u>	<u>\$13,000</u>
8 <u>Internships</u>	<u>20,000</u>
9 <u>Total</u>	<u>\$33,000</u>

10 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
11 racing commission may not spend funds appropriated in the new and vacant FTE pool line item
12 in section 1 of the Act, but may request the office of management and budget to transfer funds
13 from the new and vacant FTE pool line item to the racing commission line item in accordance
14 with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the
15 sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Racing Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
New and vacant FTE pool Racing Commission	\$630,334	\$4,953 694,089		\$4,953 694,089
Total all funds	\$630,334	\$699,042	\$0	\$699,042
Less estimated income	172,257	177,224	0	177,224
General fund	\$458,077	\$521,818	\$0	\$521,818
FTE	2.00	2.00	0.00	2.00

Department 670 - Racing Commission - Detail of House Changes

	Changes Internship Funding to One-Time ¹	Total House Changes
New and vacant FTE pool Racing Commission		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

¹ Ongoing funding added by the Senate for internships is changed to one-time funding.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2023**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0190.02003](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2023 was placed on the Sixth order on the calendar.

25.0190.02003
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

April 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2023

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota
2 racing commission.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from other funds derived from special funds, to the
7 North Dakota racing commission for the purpose of defraying the expenses of the North Dakota
8 racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as
9 follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
12 Racing commission	\$630,334	\$63,755	\$694,089
13 New and vacant FTE pool	<u>0</u>	<u>4,953</u>	<u>4,953</u>
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15 Less other funds	<u>172,257</u>	<u>4,967</u>	<u>177,224</u>
16 Total general fund	\$458,077	\$63,741	\$521,818
17 Full-time equivalent positions	2.00	0.00	2.00

18 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
19 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

Sixty-ninth
Legislative Assembly

items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>
Copier replacement	\$13,000
Total	\$13,000
Copier replacement	\$13,000
Internships	20,000
Total	\$33,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The racing commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of the Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the racing commission line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2023 - Racing Commission - House Action**

	Base Budget	Senate Version	House Changes	House Version
New and vacant FTE pool Racing Commission	\$630,334	\$4,953 694,089		\$4,953 694,089
Total all funds	\$630,334	\$699,042	\$0	\$699,042
Less estimated income	172,257	177,224	0	177,224
General fund	\$458,077	\$521,818	\$0	\$521,818
FTE	2.00	2.00	0.00	2.00

Department 670 - Racing Commission - Detail of House Changes

	Changes Internship Funding to One-Time ¹	Total House Changes
New and vacant FTE pool Racing Commission		
Total all funds	\$0	\$0
Less estimated income	0	0
General fund	\$0	\$0
FTE	0.00	0.00

¹ Ongoing funding added by the Senate for internships is changed to one-time funding.