

1999 DRAFTING REQUEST

Bill

Received: 02/10/99

Received By: isagerro

Wanted: 02/15/99

Identical to LRB:

For: Frank Lasee (608) 266-9870

By/Representing: Mark Wadium

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Alt. Drafters: isagerro

Subject: Gambling - miscellaneous

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Allocation of indian gaming money

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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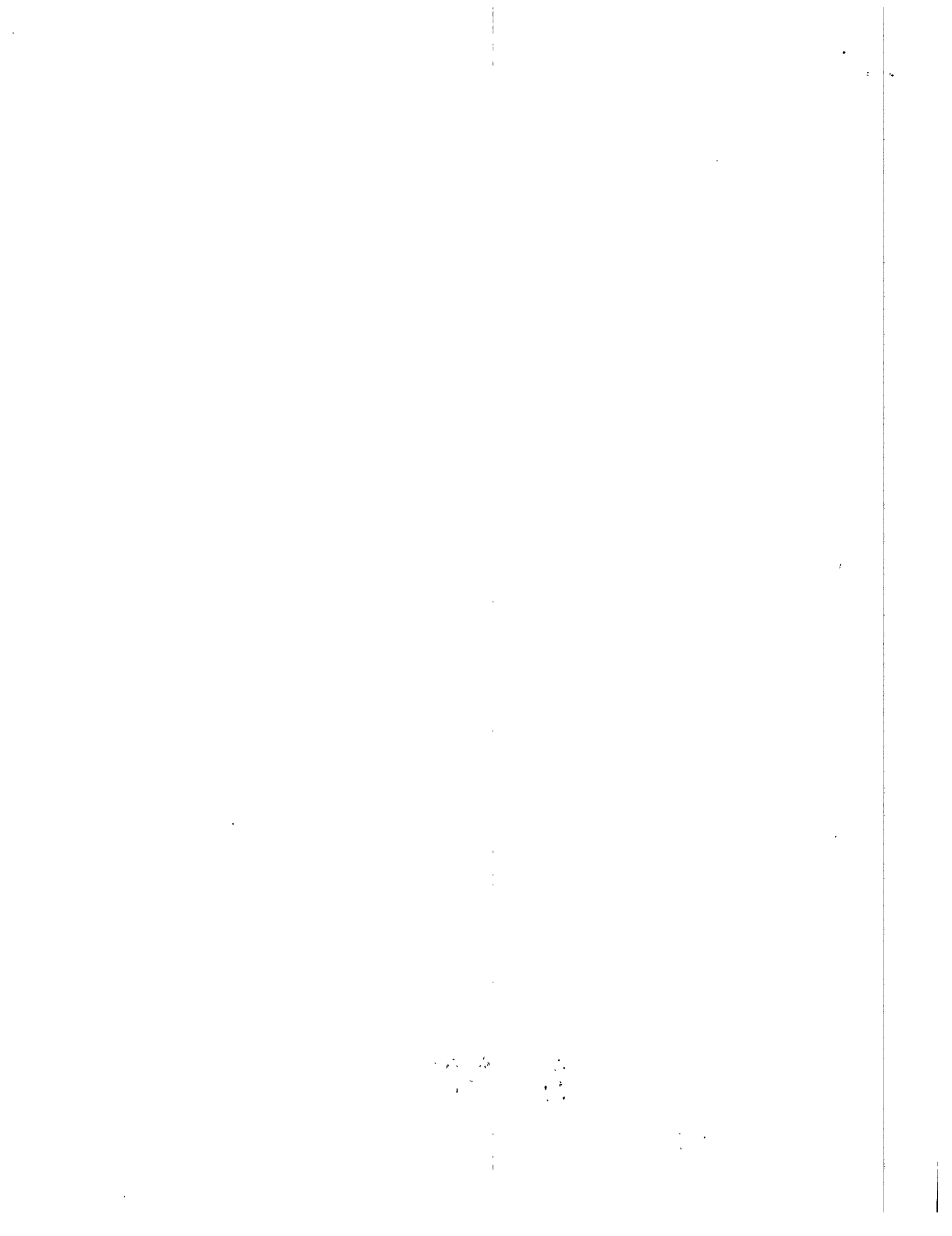
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FE Sent For:

<END>



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

February 10, 1999

TO: Representative Frank Lasee
Room 7 North, State Capitol

FROM: Art Zimmerman, Fiscal Analyst

SUBJECT: Proposed Allocation of State Revenue Under the Amended State-Tribal Gaming
Compacts

Following is the information you requested concerning the allocation of state revenue to be paid by tribes under the terms of the recently completed amendments to the state-tribal gaming compacts. In addition, the memorandum discusses some possible restrictions on the use of this state revenue.

Specifically, your request was to calculate the allocation of this state revenue using the following three factors:

1. Allocate 50% of each tribal payment to the county in which the casino is located; or, if a tribe has casinos located in more than one county, allocate 50% of the payment equally among these counties.
2. Allocate 30% of each tribal payment to the counties contiguous to the county in which the casino is located; or, if a tribe has casinos located in more than one county, allocate 30% of the payment equally among the counties contiguous to these counties.
3. Allocate 20% of each tribal payment to state tourism.

Under the new compact amendments, each tribe has agreed to make additional payments to the state that are not required under the original compacts. The amounts vary by tribe and reflect the variation in total net winnings among the tribes. The following table shows the additional annual amounts to be paid by each tribe or band over the five-year compact extension period.

TABLE 1**Annual Payments Under the Compact Amendments**

<u>Tribe or Band</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Bad River ¹	\$172,500	\$230,000	\$230,000	\$230,000	\$230,000	\$57,500
Ho-Chunk ²	0	6,500,000	7,500,000	7,500,000	8,000,000	8,000,000
Lac Courte Oreilles ³	0	420,000	420,000	420,000	420,000	420,000
Lac du Flambeau	0	0	738,900	738,900	738,900	738,900
Menominee ⁴	0	186,843	0	0	0	0
Oneida ⁵	0	4,850,000	4,850,000	4,850,000	4,850,000	4,850,000
Potawatomi	0	6,375,000	6,375,000	6,375,000	6,375,000	6,375,000
Red Cliff ⁶	0	64,685	64,685	64,685	64,685	64,685
Sokaogon ³	0	258,000	258,000	258,000	258,000	258,000
St. Croix	0	2,191,000	2,191,000	2,191,000	2,191,000	2,191,000
Stockbridge-Munsee	0	650,000	650,000	650,000	650,000	650,000
Total	\$172,500	\$21,725,528	\$23,277,585	\$23,277,585	\$23,777,585	\$23,605,085

¹ Bad River Band makes quarterly payments instead of annual payments; based on the compact's term, three quarterly payments will be made in 1998-99 and one quarterly payment will be made in 2003-04.

² The Ho-Chunk annual payments total \$6.5 million in the first year of the agreement, \$7.5 million in the second and third years and \$8.0 million in the fourth and fifth years (for an average annual payment of \$7.5 million).

³ The Lac Courte Oreilles and Sokaogon agreements contain an escalator payment clause that provides for an additional 1% payment to the state (\$4,200 for the Lac Courte Oreilles and \$2,580 for the Sokaogon) for each 1% increase in net win in the base year for which the payment applies as compared to the net win in the immediately preceding base year.

⁴ The Menominee amount is a partial payment based on the three-month term of its interim agreement (June 3 to September 3, 1999).

⁵ The Oneida agreement specifies a total annual payment to the state of \$5,400,000, adjusted by a reduction of \$550,000 in direct recognition of existing municipal service agreements (for a net payment of \$4,850,000).

⁶ The Red Cliff agreement includes a provision that, if net revenue is less than \$3,000,000 for any one-year period, the tribe may petition the state to reduce its payment.

Note: Fiscal year totals would be modified by a completed compact amendment with the Menominee or if tribal payments are not made as scheduled.

As can be seen from this table, state revenues will vary by year. For example, the first Lac du Flambeau payment is scheduled for 2000-01, which results in total 1999-00 revenue being somewhat less than in the following years. In addition, unlike the other tribes, the Ho-Chunk payments will increase through the five-year period. The current Menominee payment is a partial, three-month payment that affects 1999-00 state revenue only. Another possible variable is the Potawatomi agreement. Under the Potawatomi compact, the state must discuss extending the compact upon receipt of Milwaukee City and County resolutions approving the removal of existing limitations on Class III games the tribe may operate on Menominee Valley lands. If the city and county resolutions are not received by April 2, 1999, the state and the tribe must meet within 30

days to negotiate new terms. If agreement is not reached, the compact would expire on June 3, 1999, subject to existing compact nonrenewal provisions. Thus, the state revenue amount from the Potawatomi could change.

For the purposes of projecting the allocation of state revenue, as you request, each tribe's actual or estimated annual payment is included. Thus the Lac du Flambeau payment of \$738,900 is part of the projection. For the Ho-Chunk, the five payments are averaged, so \$7,500,000 is the amount used in the projection. The Menominee tribe's annual payment is estimated at \$747,400, based on its interim three-month payment of \$186,843. Finally, it is assumed the Potawatomi payment will remain unchanged. This approach provides a total allocation amount of approximately \$24.0 million, for the purposes of the projection. In practice, the actual allocation amount would vary slightly in most years.

Based on this approach, the proposed allocation formula would provide funding to 51 counties. This includes 14 counties that would receive allocations due to having casinos in the county. Of the 14 casino counties, 12 would also receive allocations because they are contiguous to other counties having casinos. Finally, 37 counties that do not have casinos would receive allocations for being contiguous to counties with casinos. The attachment to this memorandum shows the allocations to counties with casinos (factor 1 of the formula), the allocations to counties contiguous to counties with casinos (factor 2) and the total estimated allocation for each county. These allocations total \$19.2 million, or 80% of the \$24.0 million in state revenue. The remaining 20% (\$4.8 million) would be allocated to state tourism under factor 3 of the formula.

In addition to allocating this new state revenue, a further consideration may be the actual use of the revenue at the county level. With three exceptions (the Ho-Chunk and Lac du Flambeau agreements and the Menominee interim agreement, which are silent on the issue of how the state utilizes the revenue) the tribes and the Governor have agreed to certain intended purposes for which this revenue may be utilized. The funds allocated to counties under the proposed formula, in the absence of conditions or restrictions, could be used by counties for purposes other than those agreed to by the Governor and the tribes.

The Sokaogon and Lac Courte Oreilles agreements contain a provision that states that Wisconsin tribes have proposed the development of a plan for a multi-year revenue sharing agreement with the state under which the tribes will make annual payments to the state for the establishment of an economic development fund to: (a) assist tribal governments that wish to develop non-gaming businesses; (b) promote Wisconsin tourism; and (c) pay local governments for services provided to tribal casinos.

Seven agreements (Bad River, Lac Courte Oreilles, Oneida, Potawatomi, Red Cliff, St. Croix and Stockbridge-Munsee) contain government to government memoranda of understanding (MOU) relating to the use of the additional payments. These MOU have some common elements and some important differences.

The most important element common to these seven MOU is the provision that the Governor must undertake his best efforts within the scope of his authority to assure that monies paid to the state under the agreements are expended for specific purposes. With the exception of the Potawatomi and Red Cliff, these purposes are: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located.

The Potawatomi MOU specifies the four purposes for spending identified above, but would limit this spending to Milwaukee and Forest Counties.

The Red Cliff agreement states these four purposes differently and adds a fifth purpose. These purposes are: (a) economic development initiatives to benefit federally recognized Wisconsin tribes or their enrolled members; (b) economic development initiatives in Red Cliff and regions around Red Cliff; (c) promotion of tourism within the northwest region of the state; (d) support of programs and services which benefit the Red Cliff tribe or its members; and (e) law enforcement initiatives on the reservation.

Similar to the Red Cliff MOU, three of the MOU also specify an additional area of spending: (a) the Bad River and St. Croix agreements include expenditures for law enforcement initiatives on reservations; and (b) the Stockbridge-Munsee agreement includes spending for public safety initiatives on the Stockbridge-Munsee reservation.

Under the provisions of the MOU, the development of one or more proposals to fulfill the intent of the agreements appears to be incumbent on the Governor. The legislative proposals relating to the agreements could be advanced as part of the Governor's 1999-2001 biennial budget bill or could be introduced as separate legislation.

The role of the Legislature appears to be recognized in the various MOU in that the Governor has agreed to "undertake his best efforts within the scope of his authority" to assure that monies are expended on the specified purposes. This language correctly implies that the Governor cannot make expenditure decisions alone. The Legislature, then, subject to the Governor's veto authority, may determine the amounts and the purposes for which these state revenues will be expended. The MOU provisions are not binding on the Legislature and the eventual expenditure of these monies may or may not conform to the purposes specified in the various MOU. However, the MOU may place some practical constraints on how these funds are utilized.

I hope this information is helpful. If I can be of further assistance, please contact me.

AZ/lah
Attachment

ATTACHMENT

Proposed Allocation of Additional State Revenue from Tribal Gaming

<u>County</u>	<u>Estimated Allocations</u>		
	<u>Casino County Allocations</u>	<u>Contiguous County Allocations</u>	<u>Total Allocations</u>
Adams	\$0	\$232,100	\$232,100
Ashland	115,000	22,800	137,800
Barron	547,700	100,200	647,900
Bayfield	32,300	35,300	67,600
Brown	2,425,000	24,400	2,449,400
Burnett	547,800	41,100	588,900
Calumet	0	242,500	242,500
Chippewa	0	41,100	41,100
Clark	0	232,100	232,100
Columbia	0	107,100	107,100
Dane	0	107,100	107,100
Douglas	0	105,000	105,000
Dunn	0	41,100	41,100
Eau Claire	0	107,100	107,100
Florence	0	172,300	172,300
Forest	1,722,700	55,400	1,778,100
Iowa	0	107,100	107,100
Iron	0	72,700	72,700
Jackson	1,250,000	125,000	1,375,000
Juneau	0	339,200	339,200
Kewaunee	0	242,500	242,500
La Crosse	0	107,100	107,100
Langlade	0	271,400	271,400
Manitowoc	0	242,500	242,500
Marathon	0	149,400	149,400
Marinette	0	172,300	172,300
Menominee	373,700	24,400	398,100
Milwaukee	1,593,800	0	1,593,800
Monroe	0	107,100	107,100
Oconto	0	513,900	513,900

<u>County</u>	<u>Estimated Allocations</u>		
	<u>Casino County</u> <u>Allocations</u>	<u>Contiguous County</u> <u>Allocations</u>	<u>Total</u> <u>Allocations</u>
Oneida	\$0	\$227,700	\$227,700
Outagamie	0	266,900	266,900
Ozaukee	0	239,100	239,100
Polk	0	123,300	123,300
Portage	0	149,400	149,400
Price	0	90,700	90,700
Racine	0	239,100	239,100
Richland	0	107,100	107,100
Rusk	0	59,100	59,100
Sauk	1,250,000	0	1,250,000
Sawyer	210,000	63,200	273,200
Shawano	325,000	317,200	642,200
St. Croix	0	41,100	41,100
Trempealeau	0	107,100	107,100
Vernon	0	107,100	107,100
Vilas	369,500	172,300	541,800
Washburn	0	146,100	146,100
Washington	0	239,100	239,100
Waukesha	0	239,100	239,100
Waupaca	0	24,400	24,400
Wood	<u>1,250,000</u>	<u>107,100</u>	<u>1,357,100</u>
Total	\$12,012,500	\$7,207,500	\$19,220,000



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2180/P1

JK & ISR: /:....

Today if possible, or
mm. a.m.

Wlj
&
Jlg

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

1 ^{Gen Cat} AN ACT ~~/;~~ relating to: the distribution of money received from Indian gaming
2 compacts ~~and making an appropriation.~~

Analysis by the Legislative Reference Bureau

Under current law, the governor may negotiate and enter into Indian gaming compacts. These compacts are governed by the federal Indian Gaming Regulatory Act. Pursuant to the compacts, the state receives money from the Indian tribes and from vendors who contract with the Indian tribes to assist in the gambling operations. These moneys generally reimburse the state for the costs of regulating Indian gaming under the compacts, for certifications and background investigations of Indian gaming vendors and employes of Indian tribes who are engaged in the conduct of gambling and for the costs of gaming services and assistance provided at the request of the Indian tribes. Recently, many of the compacts have been extended and the governor has negotiated the payment of additional moneys by the Indian tribes to the state.

This bill appropriates 20% of these additional moneys to the department of tourism for the purpose of tourism promotion. The department of administration must disburse 50% of the additional moneys to counties where an Indian casino is located and 30% of the additional moneys to counties that are contiguous to counties where casinos are located.
No Gf

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.380 (1) (km) of the statutes is created to read:

2 20.380 (1) (km) *Tourism promotion; Indian gaming revenue.* All moneys
3 transferred from the appropriation account under s. 20.505 (8) (hm) 2., for tourism
4 promotion.

5 **SECTION 2.** 20.505 (8) (h) of the statutes is amended to read:

6 20.505 (8) (h) *General program operations; Indian gaming.* The amounts in the
7 schedule for general program operations under ch. 569. All Indian gaming receipts,
8 as defined in s. 569.01 (1m) (a) to (c), less the amounts appropriated under s. 20.455
9 (2) (gc), shall be credited to this appropriation account. Annually, of the moneys
10 received under this appropriation account, an amount equal to 50% of the amount
11 in the schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation
12 account under s. 20.435 (7) (kg).

13 **SECTION 3.** 20.505 (8) (hm) of the statutes is created to read:

14 20.505 (8) (hm) *Indian gaming receipts.* All moneys received as Indian gaming
15 receipts, as defined in s. 569.01 (1m) (d), for the purpose of annually transferring the
16 following amounts to the following appropriation accounts:

17 1. The amount transferred to s. 20.835 (1) (m) shall be an amount equal to 80%
18 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

19 2. The amount transferred to s. 20.380 (1) (km) shall be an amount equal to 20%
20 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

21 **SECTION 4.** 20.835 (1) (m) of the statutes is created to read:

1 20.835 (1) ^k~~(fm)~~ *County gaming payments account*. All moneys transferred from
2 the appropriation account under s. 20.505 (8) (hm) ¹to make the payments to
3 counties under s. 79.059. ^{insert comma ②}
^{delete extra space}

4 **SECTION 5.** 25.50 (3) (b) [↓]of the statutes is amended to read:

5 25.50 (3) (b) On the dates specified and to the extent to which they are
6 available, subject to s. 16.53 (10), funds payable to local governments under ss. 79.03,
7 79.04, 79.05, 79.058, 79.059, 79.06, 79.08 and 79.10 shall be considered local funds
8 and, pursuant to the instructions of local officials, may be paid into the separate
9 accounts of all local governments established in the local government
10 pooled-investment fund and, pursuant to the instructions of local officials, to the
11 extent to which they are available, be disbursed or invested.

12 **SECTION 6.** 48.561 (3) (b) [↓]of the statutes is amended to read:

13 48.561 (3) (b) The department of administration and a county having a
14 population of 500,000 or more shall consult to determine the method by which the
15 state will collect the amount specified in par. (a). If the department of administration
16 and a county having a population of 500,000 or more reach an agreement as to that
17 method and if that agreement calls for deducting all or part of that amount from any
18 state payment due that county under s. 79.03, 79.04, 79.058, 79.059, 79.06 or 79.08
19 or for adding a special charge to the amount of taxes apportioned to and levied on that
20 county under s. 70.60, the department of administration shall notify the department
21 of revenue, by September 15 of each year, of the amount to be deducted from those
22 state payments due or to be added as that special charge. If the department of
23 administration and a county having a population of 500,000 or more do not reach an
24 agreement as to that method by September 15 of each year, the department of
25 administration shall determine that method without the agreement of that county.

SECTION 6

1 The department of administration shall credit all amounts collected under this
2 paragraph to the appropriation account under s. 20.435 (3) (kw) and shall notify the
3 county from which those amounts are collected of that collection.

4 SECTION 7. 79.015[✓] of the statutes is amended to read:

5 **79.015 Statement of estimated payments.** The department of revenue, on
6 or before September 15 of each year, shall provide to each municipality and county
7 a statement of estimated payments to be made in the next calendar year to the
8 municipality or county under ss. 79.03, 79.04, 79.05, 79.058,[✓]79.059[✓] and 79.06.

9 SECTION 8. 79.02 (2) (b)[✓] of the statutes is amended to read:

10 79.02 (2) (b) Subject to s. 66.77 (4), payments in July shall equal 15% of the
11 municipality's or county's estimated payments under ss. 79.03, 79.04, 79.058,[✓]79.059[✓]
12 and 79.06 and 100% of the municipality's estimated payments under s. 79.05.

13 SECTION 9. 79.02 (3)[✓] of the statutes is amended to read:

14 79.02 (3) Subject to s. 66.77 (4), payments to each municipality and county in
15 November shall equal that municipality's or county's entitlement to shared revenues
16 under ss. 79.03, 79.04, 79.05, 79.058,[✓]79.059[✓] and 79.06 for the current year, minus
17 the amount distributed to the municipality or county in July.

18 SECTION 10. 79.059[✓] of the statutes is created to read:

19 ⁹~~79.059~~ **County gaming payments.** (1) DEFINITION^{me}. In this section, "casino"
20 means a casino or bingo hall owned by a federally recognized American Indian tribe
21 or band in this state.

22 ^B(2) DISTRIBUTION TO COUNTIES. (a) The department of administration[✓] shall, in
23 each fiscal year, pay each county where a casino is located an amount equal to 50%
24 of the amount that the tribe that owns the casino paid to the state, in that fiscal year,
25 as part of an Indian gaming compact under s. 569.01 (1m) (d).[✓]

1 (b) The department of administration shall, in each fiscal year, pay each county
2 that is contiguous to a county where a casino is located an amount equal to 30% of
3 the amount that the tribe that owns the casino paid to the state, in that fiscal year,
4 as part of an Indian gaming compact under s. 569.01 (1m) (d).[✓]

5 (c) Each county where a casino is located, that is also contiguous to a county
6 where a casino is located, shall receive payments under pars. (a)[✓] and (b)[✓].

7 **SECTION 11.** 569.01 (1m) (d)[✓] of the statutes is created to read:

8 569.01 (1m) (d)[✓] Moneys received by the state from Indian tribes pursuant to
9 an Indian gaming compact, except moneys received as direct reimbursements to the
10 [✓]department of justice.

11 **SECTION 12.** 569.06 of the statutes is amended to read:

12 **569.06 Indian gaming receipts.** Indian gaming receipts shall be credited to
13 the appropriation accounts under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm)[✓] as
14 specified under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm)[✓].

15

(END)



2-15-99

spoke w/ Mark at

base WOP 2180-

① "memorandum of understanding"

country to use money within guidelines stated
in memorandum of understanding

(insert language into section 10
of draft.)

② "ending" language?

end when renewal ends?
(current renewal periods)

call Mark 6-9871 (he left voice mail message)

(left message for Mark at 430pm 2-15-99)

he called back at 440pm - he'll check with my
re timing of renewal periods

MEMORANDUM OF UNDERSTANDING REGARDING GOVERNMENT TO GOVERNMENT MATTERS

This Memorandum of Understanding is entered into by and between the Oneida Tribe of Indians of Wisconsin ("TRIBE") and the State of Wisconsin ("STATE").

WHEREAS, TRIBE and STATE on this date have entered into Amendments to the Oneida Tribe of Indians of Wisconsin and the State of Wisconsin Gaming Compact of 1991; and

WHEREAS, said amendments provide for the payment of monies by TRIBE to STATE; and

WHEREAS, the parties desire to specify the usage to be made of such monies; and

WHEREAS, the parties wish to meet on a regular basis to address government to government issues of mutual concern;

NOW THEREFORE IT IS AGREED that the Governor shall undertake his best efforts within the scope of his authority to assure that monies paid to the STATE hereunder shall be expended upon:

- 1) Economic development initiatives to benefit Tribes and/or American Indians within Wisconsin,
- 2) Economic development initiatives in regions around casinos,
- 3) Promotion of tourism within the State of Wisconsin, and
- 4) Support of programs and services of the County in which the Tribe is located.

IT IS FURTHER AGREED that the STATE and the TRIBE shall establish a schedule of regular meetings to address government to government issues of mutual concern. One such meeting per year shall contain an accounting of the funds expended in accordance with this agreement.

ONEIDA TRIBE OF INDIANS

STATE OF WISCONSIN

By: Deborah Doxtator
Deborah Doxtator
Chair

By: [Signature]
Tommy
Governor

Date Signed: 5-8-98

Date Signed: _____

Dennis Haster
246-1249
SUMMER FEST

Form #	2007
Phone #	920 496 5130
Co.	
From	C. Leonard
# of pages	1

Post-It™ brand fax transmittal memo 7671

-2180

*Conversation w/ Mark Wadsworth 2/16/99 9:00

- agreed that language instructing counties
to use money as discussed in MOU
was ~~that~~ unclear

- wanted lang. in draft anyway even though
MOUs have no binding legal effect
on how \$ spent



State of Wisconsin
1999 - 2000 LEGISLATURE

Notes
2/17/99

LRB-21801
JK&ISR:wj&lg:lmh
wj
2

1999 BILL

REGEN

1 **AN ACT to amend** 20.505 (8) (h), 25.50 (3) (b), 48.561 (3) (b), 79.015, 79.02 (2) (b),
2 79.02 (3) and 569.06; and **to create** 20.380 (1) (km), 20.505 (8) (hm), 20.835 (1)
3 (k), 79.059 and 569.01 (1m) (d) of the statutes; **relating to:** the distribution of
4 money received from Indian gaming compacts and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the governor may negotiate and enter into Indian gaming compacts. These compacts are governed by the federal Indian Gaming Regulatory Act. Pursuant to the compacts, the state receives money from the Indian tribes and from vendors who contract with the Indian tribes to assist in the gambling operations. These moneys generally reimburse the state for the costs of regulating Indian gaming under the compacts, for certifications and background investigations of Indian gaming vendors and employes of Indian tribes who are engaged in the conduct of gambling and for the costs of gaming services and assistance provided at the request of the Indian tribes. Recently, many of the compacts have been extended and the governor has negotiated the payment of additional moneys by the Indian tribes to the state.

The department of administration must disburse 50% of the additional moneys to counties where an Indian casino is located and 30% of the additional moneys to counties that are contiguous to counties where casinos are located. This bill appropriates 20% of these additional moneys to the department of tourism for the purpose of tourism promotion.

Counties must use the additional moneys to develop and implement economic development initiatives to benefit Wisconsin Indian tribes and their programs and

BILL

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.380 (1) (km) of the statutes is created to read:

2 20.380 (1) (km) *Tourism promotion; Indian gaming revenue.* All moneys
3 transferred from the appropriation account under s. 20.505 (8) (hm) ^{l. b.} ~~a.~~ for tourism
4 promotion.

5 **SECTION 2.** 20.505 (8) (h) of the statutes is amended to read:

6 20.505 (8) (h) *General program operations; Indian gaming.* The amounts in the
7 schedule for general program operations under ch. 569. All Indian gaming receipts,
8 as defined in s. 569.01 (1m) (a) to (c), less the amounts appropriated under s. 20.455
9 (2) (gc), shall be credited to this appropriation account. Annually, of the moneys
10 received under this appropriation account, an amount equal to 50% of the amount
11 in the schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation
12 account under s. 20.435 (7) (kg).

13 **SECTION 3.** 20.505 (8) (hm) of the statutes is created to read:

14 20.505 (8) (hm) *Indian gaming receipts.* All moneys received as Indian gaming
15 receipts, as defined in s. 569.01 (1m) (d), for the purpose of annually transferring the
16 following amounts to the following appropriation accounts:

17 ~~a.~~ The amount transferred to s. 20.835 (1) (k) shall be an amount equal to 80%
18 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

19 ~~b.~~ The amount transferred to s. 20.380 (1) (km) shall be an amount equal to 20%
20 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

21 **SECTION 4.** 20.835 (1) (k) of the statutes is created to read:

2. Subdivision 1. does not apply after the fiscal year ending in 2004.



BILL

1 20.835 (1) (k) *County gaming payments account*. All moneys transferred from
2 the appropriation account under s. 20.505 (8) (hm) 1^{a.} to make the payments to
3 counties under s. 79.059.

4 **SECTION 5.** 25.50 (3) (b) of the statutes is amended to read:

5 25.50 (3) (b) On the dates specified and to the extent to which they are
6 available, subject to s. 16.53 (10), funds payable to local governments under ss. 79.03,
7 79.04, 79.05, 79.058, 79.059, 79.06, 79.08 and 79.10 shall be considered local funds
8 and, pursuant to the instructions of local officials, may be paid into the separate
9 accounts of all local governments established in the local government
10 pooled-investment fund and, pursuant to the instructions of local officials, to the
11 extent to which they are available, be disbursed or invested.

12 **SECTION 6.** 48.561 (3) (b) of the statutes is amended to read:

13 48.561 (3) (b) The department of administration and a county having a
14 population of 500,000 or more shall consult to determine the method by which the
15 state will collect the amount specified in par. (a). If the department of administration
16 and a county having a population of 500,000 or more reach an agreement as to that
17 method and if that agreement calls for deducting all or part of that amount from any
18 state payment due that county under s. 79.03, 79.04, 79.058, 79.059, 79.06 or 79.08
19 or for adding a special charge to the amount of taxes apportioned to and levied on that
20 county under s. 70.60, the department of administration shall notify the department
21 of revenue, by September 15 of each year, of the amount to be deducted from those
22 state payments due or to be added as that special charge. If the department of
23 administration and a county having a population of 500,000 or more do not reach an
24 agreement as to that method by September 15 of each year, the department of
25 administration shall determine that method without the agreement of that county.

BILL

1 The department of administration shall credit all amounts collected under this
2 paragraph to the appropriation account under s. 20.435 (3) (kw) and shall notify the
3 county from which those amounts are collected of that collection.

4 **SECTION 7.** 79.015 of the statutes is amended to read:

5 **79.015 Statement of estimated payments.** The department of revenue, on
6 or before September 15 of each year, shall provide to each municipality and county
7 a statement of estimated payments to be made in the next calendar year to the
8 municipality or county under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06.

9 **SECTION 8.** 79.02 (2) (b) of the statutes is amended to read:

10 79.02 (2) (b) Subject to s. 66.77 (4), payments in July shall equal 15% of the
11 municipality's or county's estimated payments under ss. 79.03, 79.04, 79.058, 79.059
12 and 79.06 and 100% of the municipality's estimated payments under s. 79.05.

13 **SECTION 9.** 79.02 (3) of the statutes is amended to read:

14 79.02 (3) Subject to s. 66.77 (4), payments to each municipality and county in
15 November shall equal that municipality's or county's entitlement to shared revenues
16 under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06 for the current year, minus
17 the amount distributed to the municipality or county in July.

18 **SECTION 10.** 79.059 of the statutes is created to read:

19 **79.059 County gaming payments. (1) DEFINITION.** In this section, "casino"
20 means a casino or bingo hall owned by a federally recognized American Indian tribe
21 or band in this state.

22 **(2) DISTRIBUTION TO COUNTIES. (a)** The department of administration shall, in
23 each fiscal year, pay each county where a casino is located an amount equal to 50%
24 of the amount that the tribe that owns the casino paid to the state, in that fiscal year,
25 as part of an Indian gaming compact under s. 569.01 (1m) (d).

BILL

1 (b) The department of administration shall, in each fiscal year, pay each county
2 that is contiguous to a county where a casino is located an amount equal to 30% of
3 the amount that the tribe that owns the casino paid to the state, in that fiscal year,
4 as part of an Indian gaming compact under s. 569.01 (1m) (d).

5 (c) Each county where a casino is located, that is also contiguous to a county
6 where a casino is located, shall receive payments under pars. (a) and (b).

7 **SECTION 11.** 569.01 (1m) (d) of the statutes is created to read:

8 569.01 (1m) (d) Moneys received by the state from Indian tribes pursuant to
9 an Indian gaming compact, except moneys received as direct reimbursements to the
10 department of justice.

11 **SECTION 12.** 569.06 of the statutes is amended to read:

12 **569.06 Indian gaming receipts.** Indian gaming receipts shall be credited to
13 the appropriation accounts under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm) as
14 specified under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm).

15 (END)

(d) Each county that receives a distribution payment under this section shall use the distribution payment for the purposes of developing and implementing economic development initiatives to benefit ^{Wisconsin} Indian tribes and regions around casinos, supporting ^{county} programs and services, and promoting tourism.

(e) This section does not apply after the fiscal year ending in 2004.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2180/2dn
ISR:.....

February 16, 1999

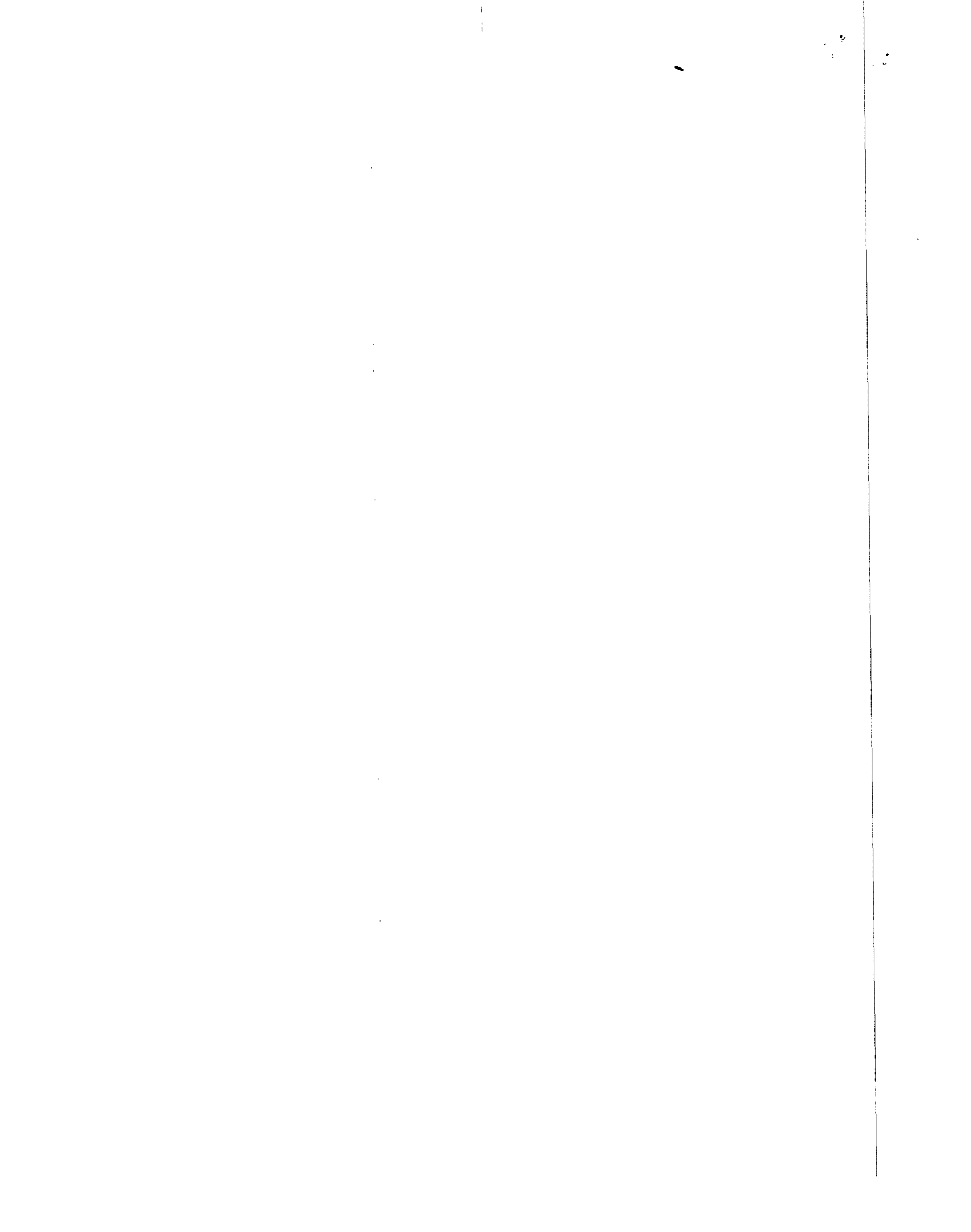
Mark:

The appropriation of the money received pursuant to Indian gaming compacts will end after fiscal year 2004. Any money received from a Tribe pursuant to a gaming compact after the end of fiscal year 2004 will not be appropriated.

Also, I have included language in this draft that requires the counties to use the money for the development and implementation of economic initiative programs to benefit tribes and the regions in which casinos are located. Counties must also use the money to support county programs and services and to promote tourism. As you requested, these requirements mirror the language of several memoranda of understanding that are contained in the recently amended compacts.

If you have any questions or comments, please feel free to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us



**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2180/2dn
ISR:wlj:hmh

Tuesday, February 16, 1999

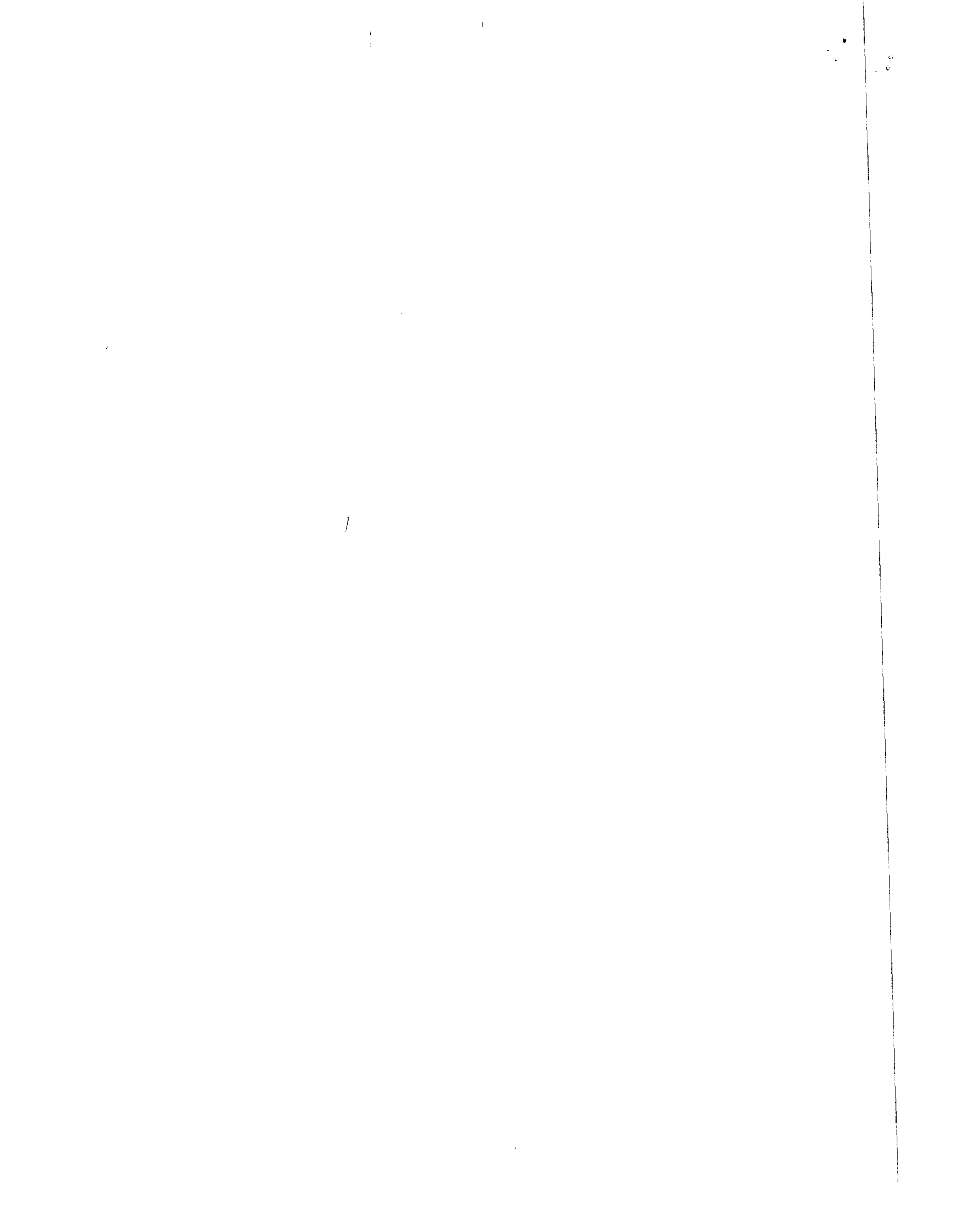
Mark:

The appropriation of the money received pursuant to Indian gaming compacts will end after fiscal year 2004. Any money received from a tribe pursuant to a gaming compact after the end of fiscal year 2004 will not be appropriated.

Also, I have included language in this draft that requires the counties to use the money for the development and implementation of economic initiative programs to benefit tribes and the regions in which casinos are located. Counties must also use the money to support county programs and services and to promote tourism. As you requested, these requirements mirror the language of several memoranda of understanding that are contained in the recently amended compacts.

If you have any questions or comments, please feel free to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us



* Return call to Rep. Lasee's office - 2/22/99
- responding to request received by JK, 2/19/99
- 20% of \$ to tourism: gambling services

* Conversation w/ Mark Wadum 2/24/99 11:20 am

- will check on % to go to gambling awareness campaigns, addiction

- leave it open ~~for~~ for discussion?

* Conversation w/ Mark Wadum 2/24/99 2:00 pm

- No way to leave %s open for discussion

- 2 options:

1) make approx. for tourism: gamblers Ann.
"amts in the schedule" and leave schedule blank to be filled in later

problem: If amts. decided on later are greater than 20%, then 80% will have to be lowered (insert provision stating so)

2) Otherwise do P draft w/ missing %s so you can decide later

10% - to state tourism ^{20.435 (9)}
5% gambling addiction - Kg
5% gambling program

2-19-99

NOON

~~Spoke to~~ Frank Basee

✓ ① delete change to 48.561(3)(t) (SECTION 6)

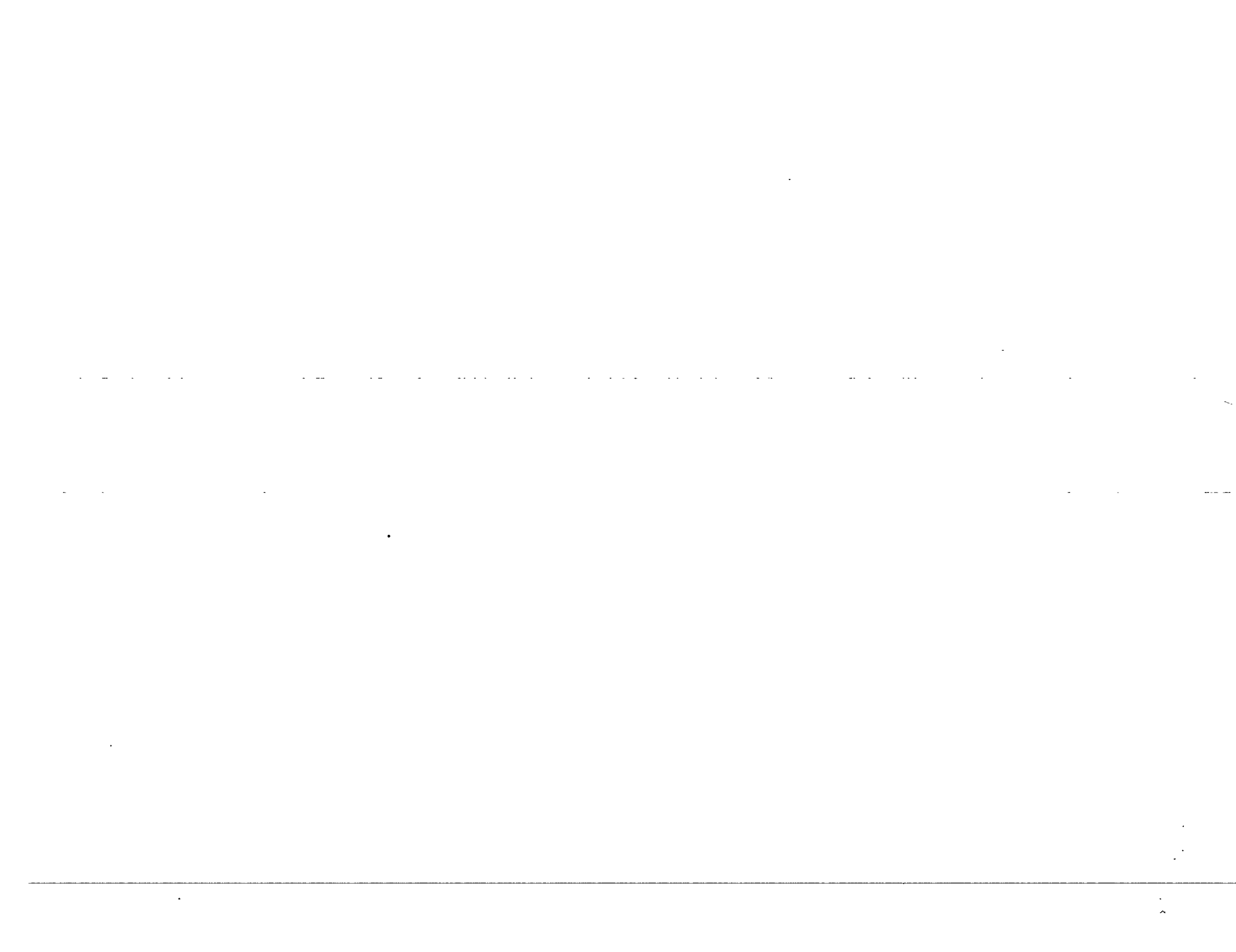
② 20% to the state

└ give to gambling services

+ tourism

gambling services — parallel budget provision for gambling "prevention"

└
gamblers anonymous
etc.





State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2180/2
JK&ISR:wj:hmh

3
redraft
make
run

1999 BILL

re-gen

1 AN ACT *to amend* 20.505 (8) (h), 25.50 (3) (b), 48.561 (3) (b), 79.015, 79.02 (2) (b),
2 79.02 (3) and 569.06; and *to create* 20.380 (1) (km), 20.505 (8) (hm), 20.835 (1)
3 (k), 79.059 and 569.01 (1m) (d) of the statutes; **relating to:** the distribution of
4 money received from Indian gaming compacts and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the governor may negotiate and enter into Indian gaming compacts. These compacts are governed by the federal Indian Gaming Regulatory Act. Pursuant to the compacts, the state receives money from the Indian tribes and from vendors who contract with the Indian tribes to assist in the gambling operations. These moneys generally reimburse the state for the costs of regulating Indian gaming under the compacts, for certifications and background investigations of Indian gaming vendors and employes of Indian tribes who are engaged in the conduct of gambling and for the costs of gaming services and assistance provided at the request of the Indian tribes. Recently, many of the compacts have been extended and the governor has negotiated the payment of additional moneys by the Indian tribes to the state.

This bill requires
The department of administration *to* disburse 50% of the additional moneys to counties where an Indian casino is located and 30% of the additional moneys to counties that are contiguous to counties where casinos are located. Counties must use the additional moneys to develop and implement economic development initiatives to benefit Wisconsin Indian tribes and regions around casinos, support county programs and services and promote tourism. This bill appropriates ~~20%~~ of

10%



BILL

these additional moneys to the department of tourism for the purpose of tourism promotion) ^{5% of the additional money to compulsive gambling awareness campaigns} and ^{5% of the additional money to general program operations of Indian gaming}
 For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.380 (1) (km) of the statutes is created to read:

2 20.380 (1) (km) *Tourism promotion; Indian gaming revenue.* All moneys
3 transferred from the appropriation account under s. 20.505 (8) (hm) 1. b., for tourism
4 promotion.

→ Insert A ✓
5 **SECTION 2.** 20.505 (8) (h) of the statutes is amended to read:

6 20.505 (8) (h) *General program operations; Indian gaming.* The amounts in the
7 schedule for general program operations under ch. 569. All Indian gaming receipts,
8 as defined in s. 569.01 (1m) (a) to (c), less the amounts appropriated under s. 20.455
9 (2) (gc), shall be credited to this appropriation account. Annually, of the moneys
10 received under this appropriation account, an amount equal to 50% of the amount
11 in the schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation
12 account under s. 20.435 (7) (kg). ^{(All moneys transferred from the appropriation}
^{account under s. 20.505 (8) (h) f. d. shall be}
^{score → credited to this appropriation account.}

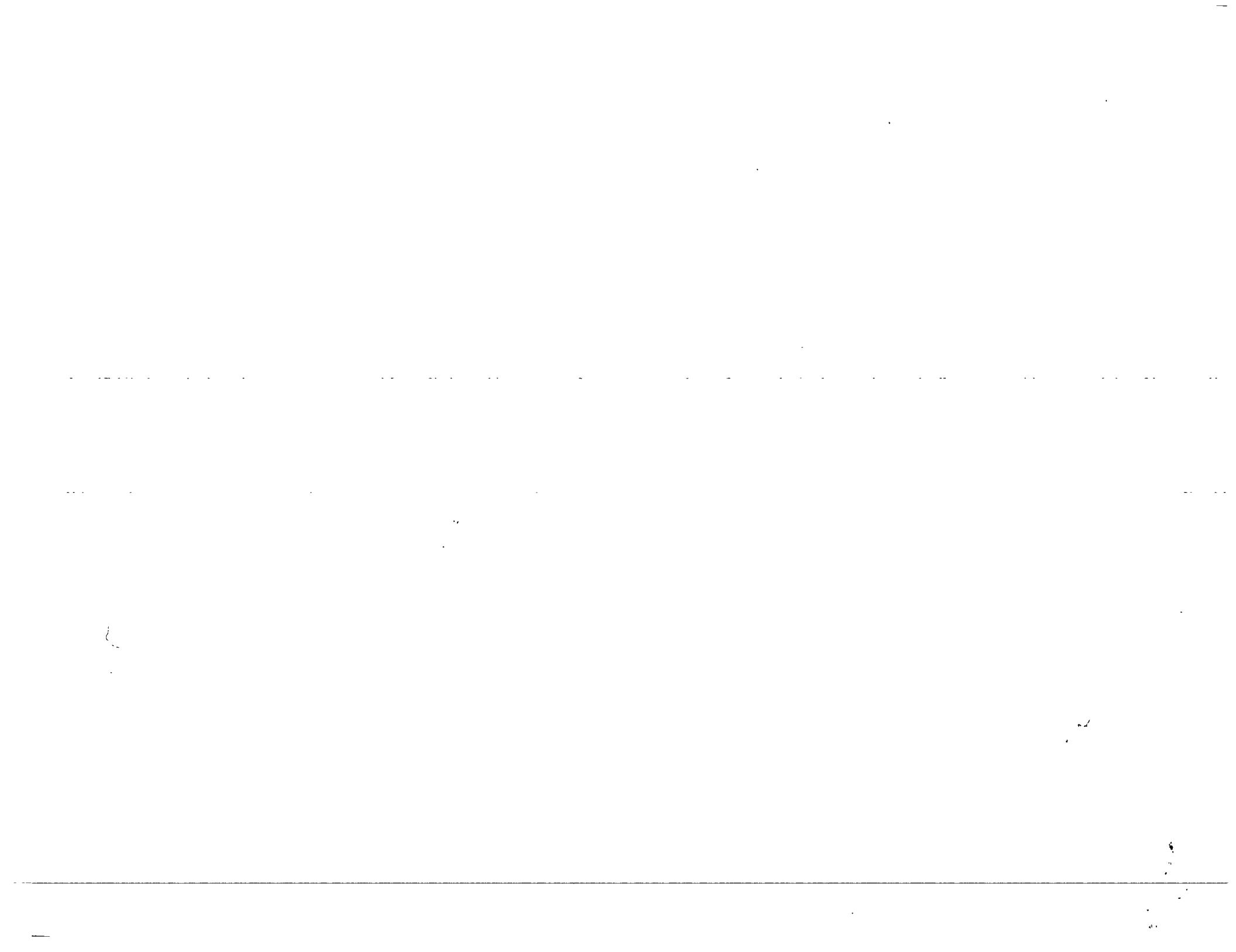
13 **SECTION 3.** 20.505 (8) (hm) of the statutes is created to read:

14 20.505 (8) (hm) *Indian gaming receipts.* 1. All moneys received as Indian
15 gaming receipts, as defined in s. 569.01 (1m) (d), for the purpose of annually
16 transferring the following amounts to the following appropriation accounts:

17 a. The amount transferred to s. 20.835 (1) (k) shall be an amount equal to 80%
18 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

19 b. The amount transferred to s. 20.380 (1) (km) shall be an amount equal to ¹⁰20%
20 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

→ Insert B ✓



BILL

1 ~~2. Subdivision 1. does not apply after the fiscal year ending in 2004.~~ *No money may be encumbered from the appropriation under this paragraph.*

2 **SECTION 4.** 20.835 (1) (k) of the statutes is created to read:

3 20.835 (1) (k) *County gaming payments account.* All moneys transferred from
4 the appropriation account under s. 20.505 (8) (hm) 1. a., to make the payments to
5 counties under s. 79.059.

6 **SECTION 5.** 25.50 (3) (b) of the statutes is amended to read:

7 25.50 (3) (b) On the dates specified and to the extent to which they are
8 available, subject to s. 16.53 (10), funds payable to local governments under ss. 79.03,
9 79.04, 79.05, 79.058, 79.059, 79.06, 79.08 and 79.10 shall be considered local funds
10 and, pursuant to the instructions of local officials, may be paid into the separate
11 accounts of all local governments established in the local government
12 pooled-investment fund and, pursuant to the instructions of local officials, to the
13 extent to which they are available, be disbursed or invested.

14 ~~**SECTION 6.** 48.561 (3) (b) of the statutes is amended to read:~~

15 ~~48.561 (3) (b) The department of administration and a county having a~~
16 ~~population of 500,000 or more shall consult to determine the method by which the~~
17 ~~state will collect the amount specified in par. (a). If the department of administration~~
18 ~~and a county having a population of 500,000 or more reach an agreement as to that~~
19 ~~method and if that agreement calls for deducting all or part of that amount from any~~
20 ~~state payment due that county under s. 79.03, 79.04, 79.058, 79.059, 79.06 or 79.08~~
21 ~~or for adding a special charge to the amount of taxes apportioned to and levied on that~~
22 ~~county under s. 70.60, the department of administration shall notify the department~~
23 ~~of revenue, by September 15 of each year, of the amount to be deducted from those~~
24 ~~state payments due or to be added as that special charge. If the department of~~
25 ~~administration and a county having a population of 500,000 or more do not reach an~~

.....

.....

.....

BILL

1 ~~agreement as to that method by September 15 of each year, the department of~~
2 ~~administration shall determine that method without the agreement of that county.~~
3 ~~The department of administration shall credit all amounts collected under this~~
4 ~~paragraph to the appropriation account under s. 20.435 (3) (kw) and shall notify the~~
5 ~~county from which those amounts are collected of that collection.~~

6 SECTION 7. 79.015 of the statutes is amended to read:

7 **79.015 Statement of estimated payments.** The department of revenue, on
8 or before September 15 of each year, shall provide to each municipality and county
9 a statement of estimated payments to be made in the next calendar year to the
10 municipality or county under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06.

11 SECTION 8. 79.02 (2) (b) of the statutes is amended to read:

12 79.02 (2) (b) Subject to s. 66.77 (4), payments in July shall equal 15% of the
13 municipality's or county's estimated payments under ss. 79.03, 79.04, 79.058, 79.059
14 and 79.06 and 100% of the municipality's estimated payments under s. 79.05.

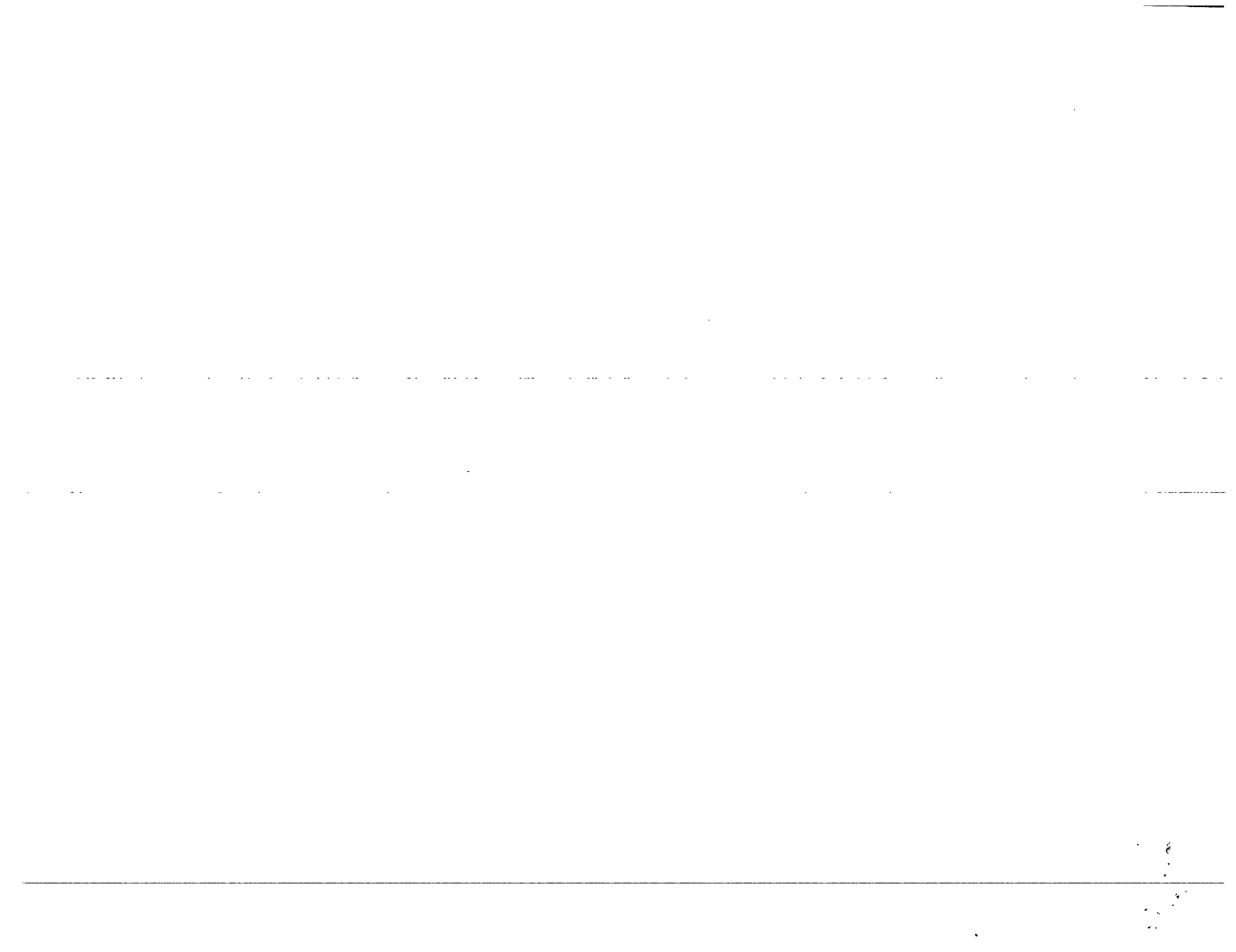
15 SECTION 9. 79.02 (3) of the statutes is amended to read:

16 79.02 (3) Subject to s. 66.77 (4), payments to each municipality and county in
17 November shall equal that municipality's or county's entitlement to shared revenues
18 under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06 for the current year, minus
19 the amount distributed to the municipality or county in July.

20 SECTION 10. 79.059 of the statutes is created to read:

21 **79.059 County gaming payments. (1) DEFINITION.** In this section, "casino"
22 means a casino or bingo hall owned by a federally recognized American Indian tribe
23 or band in this state.

24 **(2) DISTRIBUTION TO COUNTIES.** (a) The department of administration shall, in
25 each fiscal year, pay each county where a casino is located an amount equal to 50%



BILL

1 of the amount that the tribe that owns the casino paid to the state, in that fiscal year,
2 as part of an Indian gaming compact under s. 569.01 (1m) (d).

3 (b) The department of administration shall, in each fiscal year, pay each county
4 that is contiguous to a county where a casino is located an amount equal to 30% of
5 the amount that the tribe that owns the casino paid to the state, in that fiscal year,
6 as part of an Indian gaming compact under s. 569.01 (1m) (d).

7 (c) Each county where a casino is located, that is also contiguous to a county
8 where a casino is located, shall receive payments under pars. (a) and (b).

9 (d) Each county that receives a distribution payment under this section shall
10 use the distribution payment for the purposes of developing and implementing
11 economic development initiatives to benefit Wisconsin Indian tribes and regions
12 around casinos, supporting county programs and services and promoting tourism.

13 (e) This section does not apply after the fiscal year ending in 2004.

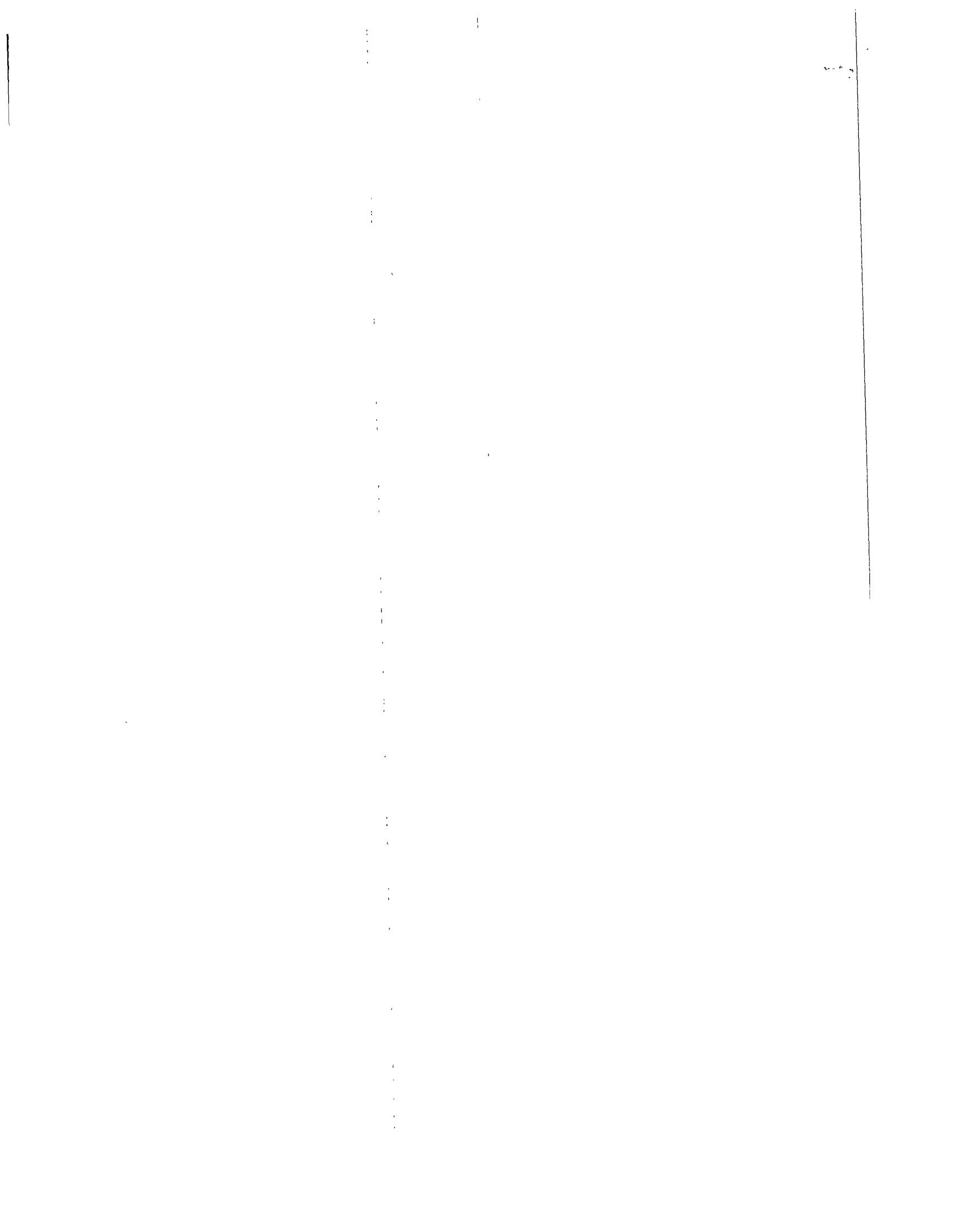
14 **SECTION 11.** 569.01 (1m) (d) of the statutes is created to read:

15 569.01 (1m) (d) Moneys received by the state from Indian tribes pursuant to
16 an Indian gaming compact, except moneys received as direct reimbursements to the
17 department of justice.

18 **SECTION 12.** 569.06 of the statutes is amended to read:

19 **569.06 Indian gaming receipts.** Indian gaming receipts shall be credited to
20 the appropriation accounts under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm) as
21 specified under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm).

22 (END)



1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2180/2ins
JK&ISR:wlj:hmh

1 Insert A

2 SECTION 1. 20.435 (7) (kg) of the statutes is amended to read:

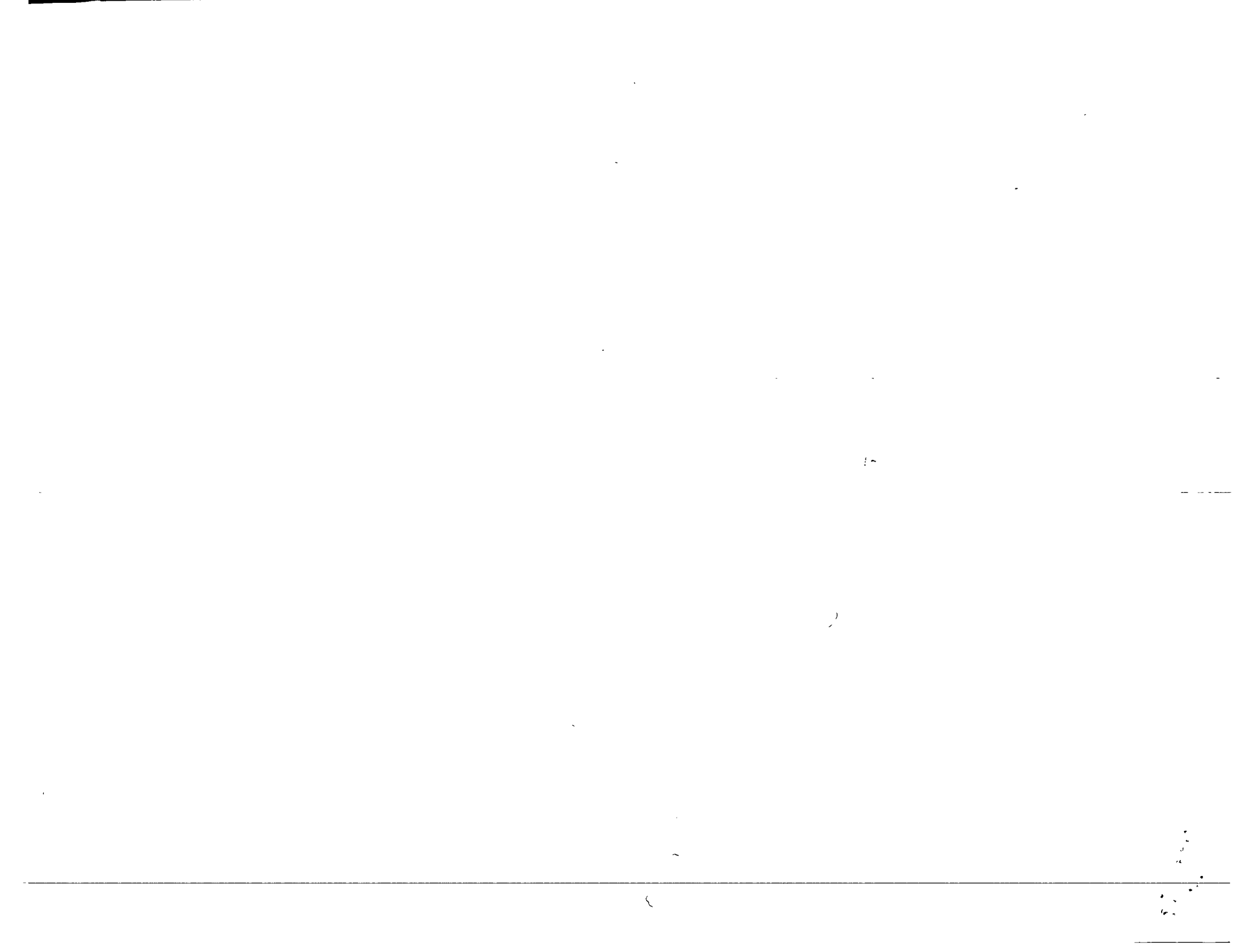
3 20.435 (7) (kg) *Compulsive gambling awareness campaigns*. The amounts in
4 the schedule for the purpose of awarding grants under s. 46.03 (43). All moneys
5 transferred from ss. 20.505 (8) (g) and (h) and (hm) 1. c. and 20.566 (8) (q) shall be
6 credited to this appropriation account.

History: 1971 c. 125 ss. 138 to 155, 522 (1), 1971 c. 211, 215, 302, 307, 322; 1973 c. 90, 198, 243; 1973 c. 284 s. 32; 1973 c. 308, 321, 322, 333, 336; 1975 c. 39 ss. 153 to 173, 732 (1), (2); 1975 c. 41 s. 52; 1975 c. 82, 224, 292; 1975 c. 413 s. 18; 1975 c. 422, 423; 1975 c. 430 ss. 1, 2, 80; 1977 c. 29 ss. 236 to 273, 1657 (18), 1977 c. 112, 1977 c. 203 s. 106; 1977 c. 213, 233, 327; 1977 c. 354 s. 101; 1977 c. 359; 1977 c. 418 ss. 129 to 137, 924 (18) (d), 929 (55); 1977 c. 428 s. 115; 1977 c. 447; 1979 c. 32 s. 92 (11); 1979 c. 34, 48; 1979 c. 102 s. 237; 1979 c. 111, 175, 177; 1979 c. 221 ss. 118g to 133, 2202 (20); 1979 c. 238, 300, 331, 361, 1981 c. 20 ss. 301 to 356b, 2202 (20) (b), (d), (g); 1981 c. 93 ss. 3 to 8, 186; 1981 c. 298, 314, 317, 359, 390; 1983 a. 27 ss. 318 to 410, 2202 (20); 1983 a. 192, 199, 245; 1983 a. 333 s. 6, 1983 a. 363, 398, 410, 427; 1983 a. 435 ss. 2, 3, 7; 1983 a. 538; 1985 a. 24, 29, 56, 73, 120, 154, 176, 255, 281, 285, 332; 1987 a. 27, 339, 368, 398, 399, 402, 1987 a. 403 ss. 25, 256; 1987 a. 413; 1989 a. 31, 53; 1989 a. 56 ss. 13, 259; 1989 a. 102; 1989 a. 107 ss. 11, 13, 17 to 37; 1989 a. 120, 122, 173, 199, 202, 318, 336, 359; 1991 a. 6, 39, 189, 269, 275, 290, 315, 322; 1993 a. 16, 27, 76, 98, 99, 168, 183, 377, 437, 445, 446, 450, 469, 479, 490, 491; 1995 a. 27 ss. 806 to 961r, 9126 (19); 1995 a. 77, 98; 1995 a. 216 ss. 26, 27; 1995 a. 266, 276, 289, 303, 404, 417, 440, 448, 464, 468; 1997 a. 27 ss. 211, 214, 216, 217, 527 to 609; 1997 a. 35, 105, 231, 237, 280, 293

7 Insert B

8 c. The amount transferred to s. 20.435 (7) (kg) shall be an amount equal to 5%
9 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

10 d. The amount transferred to s. 20.505 (8) (h) shall be an amount equal to 5%
11 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).



**SUBMITTAL
FORM**

**LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street**

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 2/26/99

To: Representative F. Lasee

Relating to LRB drafting number: LRB-2180

Topic

Allocation of indian gaming money

Subject(s)

Gambling - miscellaneous

1. **JACKET** the draft for introduction _____
in the **Senate** _____ or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the LRB's drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. **REDRAFT.** See the changes indicated or attached _____.
A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____.
If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreyc, Legislative Attorney
Telephone: (608) 266-2263

NOTE: PLEASE RETURN THIS BILL DRAFT AND THIS TRANSMITTAL SHEET WITH YOUR FISCAL ESTIMATE FORMS

IF THERE IS A FISCAL EFFECT TO THE BILL, PLEASE SUBMIT THE FISCAL ESTIMATE WORKSHEET.

APR - 5

TO: **Eng Braun**
Department of Revenue

FROM: Deborah Uecker
Division of Executive Budget and Finance
101 East Wilson Street
Administration Building, 10th Floor
Madison, WI 53702

*Un-Introduced
Copy to
Rep. F. Lasee
04-06-99*

SUBJECT: Fiscal Estimate - **LRB Number 2180/3**
1998 Bill Number

Please provide the necessary information on fiscal estimate forms and return two (2) copies to Deborah Uecker, no later than: 23-Mar-99

If you cannot comply with the above deadline for any reason, please call Deborah at 267-0371

Provide local government costs.

_____ is responsible for local government costs.

ALSO SENT TO:
Department of Administration
Department of Revenue

DATE DOA SENT TO AGENCY:

16-Mar-99

DATE DOA RECEIVED FROM AGENCY:

4/5/99 dw

TO BE COMPLETED BY AGENCY:

Name and phone number of person who prepared the fiscal estimate.

Rebecca Boldt
(Name)

266-6785
(Phone Number)

PLEASE SEND ORIGINAL COPIES OF THE FORMS THAT CAN BE REPRODUCED.



1950

FISCAL ESTIMATE

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2180/3

INTRODUCTION #

Admin. Rule #

Subject

Distribution of Money Received From Indian Gaming Compacts

Fiscal Effect

- State: No State Fiscal Effect
 Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation
- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation
- Increase Costs - May be Possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No Local Government Costs

- | | | |
|---|---|--|
| <p>1. <input type="checkbox"/> Increase Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> <p>2. <input type="checkbox"/> Decrease Costs
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>3. <input checked="" type="checkbox"/> Increase Revenues
 <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory</p> <p>4. <input type="checkbox"/> Decrease Revenues
 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</p> | <p>5. Types of Local Governmental Units Affected:
 <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
 <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
 <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts</p> |
|---|---|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.505 (8)(h) and (hm) and 20.835 (1)(k)

Assumptions Used in Arriving at Fiscal Estimate

The bill specifies the distribution of moneys received from additional payments paid to the state by Indian tribes under recently amended gaming compacts. Under the bill, the additional moneys for each casino would be distributed from FY 2000 through FY 2004 as follows: 5% for compulsive gambling awareness campaigns, 5% to general program operations of Indian gaming, 10% for state tourism promotion, 50% to the county where the casino is located, and 30% to counties that are contiguous to the county where the casino is located.

Under the bill, the payments to counties would be used for 1) economic development initiatives that would benefit Wisconsin Indian tribes and regions around casinos, 2) the support of county programs, and 3) tourism promotion.

According to the Legislative Fiscal Bureau, Wisconsin tribes will pay the state an additional \$21.5 million in 1999/2000. Under the bill \$10.8 million would be distributed in 1999/00 to 13 counties where casinos are located, averaging \$718,000 (one county would receive payments for three casinos). The 52 counties that are contiguous to counties where casinos are located would receive a total of

(continued on page two)

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)	Authorized Signature/Telephone No.	Date
Wisconsin Department of Revenue Rebecca Boldt, (608) 266-6785	Yeang-Eng Braun (608) 266-2700 <i>Yeang Eng Braun</i>	4/1/99

\$6.5 million in 1999/00, averaging \$77,900 (16 counties would receive payments for more than one casino). In 2000/01, the payments would be \$12.0 million to counties where casinos are located, averaging \$801,000; contiguous counties would receive \$7.2 million, averaging \$86,800. The table below shows the payments under the bill for FY 2000 through FY 2004.

The bill will result in increased programming and personnel costs for the department to administer the county payments. These costs can be absorbed by the department

Payments Made Under The Bill, FY 2000-2004

	1999/00	2000/01	2001/02	2002/03	2003/04
Total Tnbal Payments Under Amended Gaming Compacts (1)	\$21,538,685	\$24,024,956	\$24,024,956	\$24,524,956	\$24,352,456
Additional Appropriations for					
Gaming Operations s 20 505(8)(hm)1.d & s 20 505(8)(h)	\$1,076,934	\$1,201,248	\$1,201,248	\$1,226,248	\$1,217,623
Tourism Promotion s 20 505(8)(hm)1.b & s 20 380(1)(km)	\$2,153,869	\$2,402,496	\$2,402,496	\$2,452,496	\$2,435,246
Compulsive Gambling Awareness Campaigns s 20 505(8)(hm)1.c & s.20 435(7)(kg)	\$1,076,934	\$1,201,248	\$1,201,248	\$1,226,248	\$1,217,623
County Payments s 20 505(8)(hm)1.a & s 20 835(1)(k)	\$17,230,948	\$19,219,965	\$19,219,965	\$19,619,965	\$19,481,965
Counties W/Casinos	\$10,769,343	\$12,012,478	\$12,012,478	\$12,262,478	\$12,176,228
Contiguous Counties	\$6,461,606	\$7,207,487	\$7,207,487	\$7,357,487	\$7,305,737
Average Payment to Counties W/Casinos	\$717,956	\$800,832	\$800,832	\$817,499	\$811,749
Average Payment to Contiguous Counties	\$77,851	\$86,837	\$86,837	\$88,644	\$88,021

(1) Source Legislative Fiscal Bureau's Summary of Governor's 1999-01 Budget Recommendations

YEB 4/1/99

FISCAL ESTIMATE

Detailed Estimate of annual fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2180/3	Admin. Rule #
INTRODUCTION #	

Subject
Distribution of Money Received From Indian Gaming Compacts

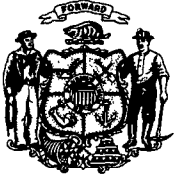
I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:	Annualized Fiscal impact on State Funds from:	
A. State Costs by Category	Increased Costs FY 2001	Decreased Costs FY 2001
State Operations - Salaries and Fringe (FTE Position Changes)	\$ (FTE)	\$ -- (- FTE)
State Operations-Other Costs	4.8 million	-
Local Assistance	19.2 million	-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 24.0 million	\$ -
B. State Costs by Source of Funds	Increased Costs FY 2001	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS	\$ 24.0 million	-
SEG/SEG-S		-
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u> FY 2001
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ _____	\$ 24.0 million

Agency/Prepared by: (Name & Phone No.) Wisconsin Department of Revenue Rebecca Boldt, (608) 266-6785	Authorized Signature/Telephone No. Yeang-Eng Braun (608) 266-2700 	Date 4/1/99
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State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION (608) 266-3561
REFERENCE SECTION (608) 266-0341
FAX (608) 266-5648

STEPHEN R. MILLER
CHIEF

LRB
/

April 6, 1999

MEMORANDUM

To: Representative Frank Lasee

From: Ivy Sager-Rosenthal, Legislative Attorney, (608) 261-4455

Subject: Technical Memorandum to **1999 Un-Introduced** (LRB 99-2180/3)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. The typographical error on page 2, line 18 will be corrected in the "4" version of this bill.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 1, 1999

TO: Ivy Sager-Rosenthal
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on LRB 2180/3 - Distribution of Money Received From Indian Gaming Compacts

The department has the following concerns related to the bill:

1. Section 3: There appears to be a typographical error on page 2, line 18. The cross-reference should be s. 20.505(8)(hm)1.d. rather than s. 20.505(8)(h)1.d.
2. Section 10: The language in s. 79.059(2)(b) specifies that the Department of Administration (DOA) will pay each county that is contiguous to a county where a casino is located an amount equal to 30% of the amount the tribe paid to the state. It should say that 30% of what is paid will go to all contiguous counties – not to each contiguous county. The bill is silent with respect to how that money is distributed to the contiguous counties - is it distributed equally? Also, are counties where only the corners of their borders touch considered contiguous?
3. It is unclear how the county payments will be distributed in the case where a tribe has casinos in different counties.
4. The bill requires that before September 15, the Department of Revenue (DOR) provide each county with a statement of estimated gaming payments to be made in the next calendar year. However, the bill is silent as to how DOR will know these amounts. The author may wish to specify that DOA is required to notify DOR of these amounts in time for the September 15 statement. Communication between DOA and DOR is required especially in the situation described in 3 above. More importantly, there is a problem with the payment structure as drafted. The bill requires that DOA pay the counties their moneys in the same fiscal year as received from the tribes. However, given that the payments to the counties are in July and November, payments by the tribes after the November payment may fall in the same fiscal year, but will not be paid to the counties until the following July. The department recommends that the payments to the counties in each fiscal year be for the tribes' payments in the prior fiscal year in which case the entire payment could be made in July and the November payment would be necessary only to adjust the amount paid in July.

If you have questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.

YEB:RAB:skr
t:\fsn99-00\lrb21803.tec

NOTE: PLEASE RETURN THIS BILL DRAFT AND THIS TRANSMITTAL SHEET WITH YOUR FISCAL ESTIMATE FORMS

IF THERE IS A FISCAL EFFECT TO THE BILL, PLEASE SUBMIT THE FISCAL ESTIMATE WORKSHEET.

Tara - logged extend date?

TO: **Paul McMahon**
Department of Administration

FROM: Deborah Uecker
Division of Executive Budget and Finance
101 East Wilson Street
Administration Building, 10th Floor
Madison, WI 53702

SUBJECT: Fiscal Estimate - LRB Number 2180/3
1998 Bill Number 2

04-19-99
copy to F. La see
FYI bill is now a "14"

Please provide the necessary information on fiscal estimate forms and return two (2) copies to Deborah Uecker, no later than: 23-Mar-99

If you cannot comply with the above deadline for any reason, please call Deborah at 267-0371.

Provide local government costs.

_____ is responsible for local government costs.

ALSO SENT TO:
Department of Administration
Department of Revenue

DATE DOA SENT TO AGENCY:

16-Mar-99 ?

DATE DOA RECEIVED FROM AGENCY:

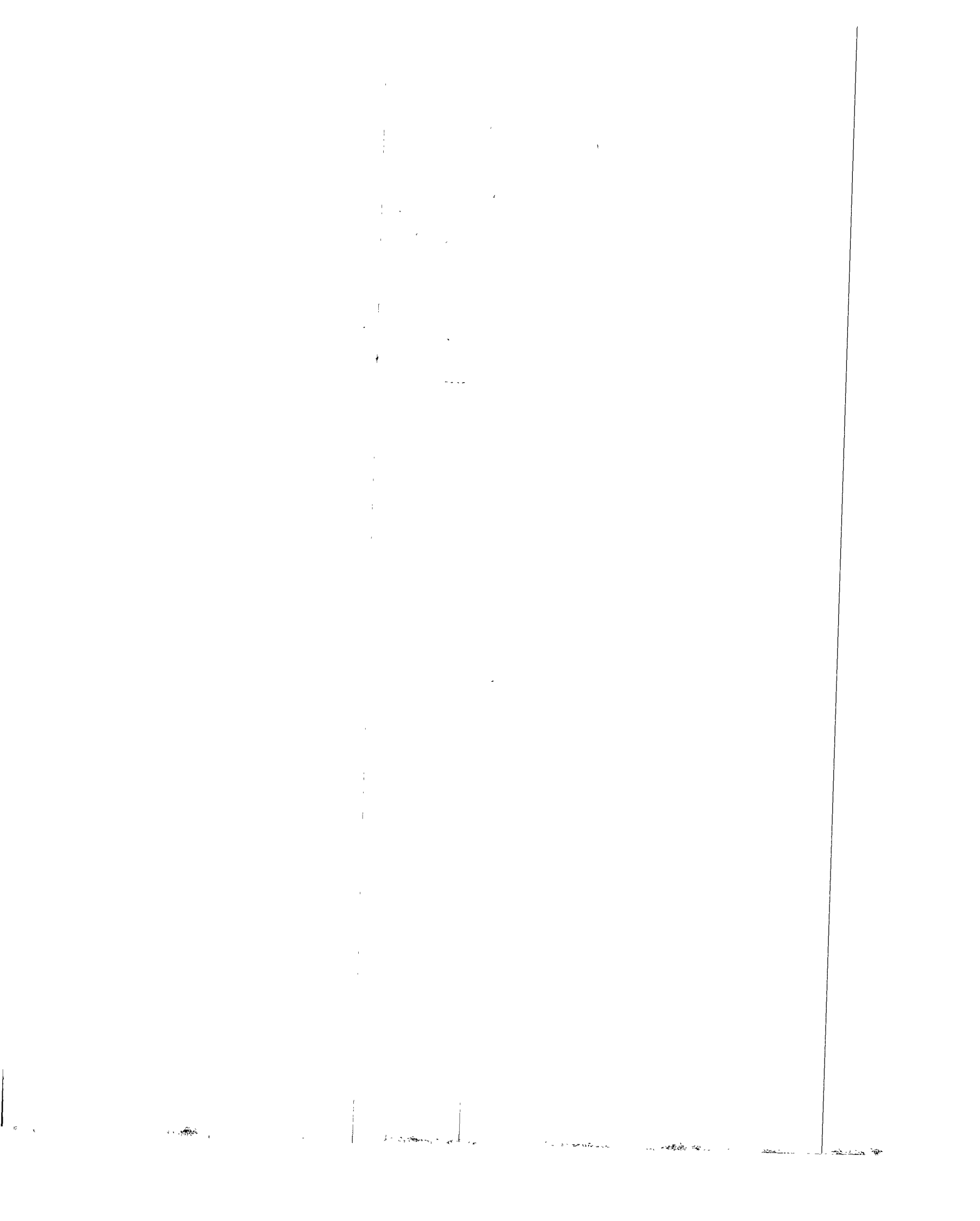
TO BE COMPLETED BY AGENCY:

Name and phone number of person who prepared the fiscal estimate.

(Name)

(Phone Number)

PLEASE SEND ORIGINAL COPIES OF THE FORMS THAT CAN BE REPRODUCED.



ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2180/3

INTRODUCTION #

Admin. Rule #

Subject

Distribution of money received from Indian gaming compacts

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.505 (8)(h) & (hm), 20.380(1)(km), 20.435(7)(kg), 20.835(1)(k)

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, the revenues that will be received as a result of the recently negotiated amendments to the Tribal gaming compacts would be deposited in the appropriation under s. 20.505 (8)(h), the Indian gaming regulation appropriation. The existing appropriation language would limit the Office of Indian Gaming to expenditures equal to the amounts in the Chapter 20 schedule for regulation and oversight. In other words, under current law, any moneys received over the amount in the schedule would simply remain in the general fund and continue to accumulate until new law is enacted to distribute the funds.

Statutory language that would direct the distribution of the additional revenues, \$20-\$22 million annually beginning in FY00, has been drafted for the biennial budget bill but has not yet become law. This fiscal note was developed based on the assumption that there is *no* current law and does not attempt to compare the impact of this language to that contained in the biennial budget bill.

The bill, itself, does not increase revenues to the State. It simply provides direction for the distribution of the moneys that have already been agreed to by the Tribes.

Under this bill, 80% of the compact moneys, or approximately \$16 million, would go directly to counties where a casino is located and counties contiguous to counties where a casino is located. The bill requires counties that receive these payments to use the moneys to develop and implement economic initiatives to benefit Indian tribes and regions around the casinos, support county programs and services, and promote tourism.

This bill also requires that 10% (approximately \$2 million) of the compact moneys be transferred to the Department of Tourism for tourism promotion and 5% (\$1 million) of the compact moneys be transferred to the Department of Health and Family Services for compulsive gambling awareness campaigns.

The remaining 5% (\$1 million) of the compact moneys would be used for Indian gaming regulation and oversight. The bill does not make any changes to either position or expenditure authority for the Office of Indian Gaming.

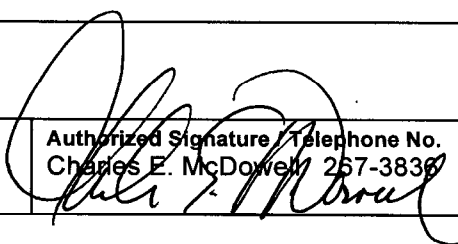
Long-Range Fiscal Implications:

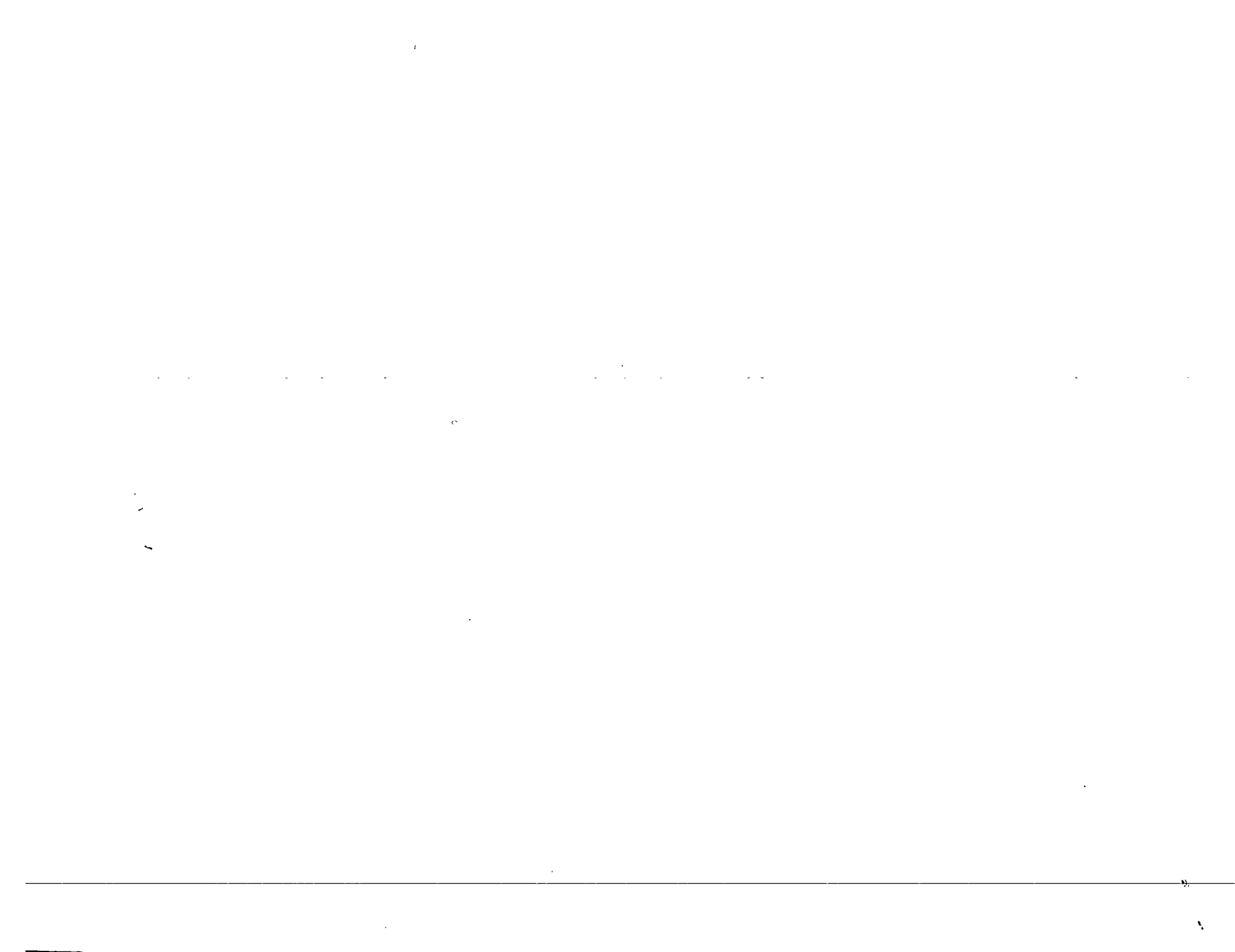
Unknown

Prepared By: / Phone # / Agency Name
 Tara Brunner/266-0016/DOA

Authorized Signature / Telephone No.
 Charles E. McDowell 267-3836

Date
 April 15, 1999





FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 2180/3

Admin. Rule #

INTRODUCTION #

Subject

Distribution of money received from Indian gaming compacts

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
TOTAL State Revenues		\$	\$ -

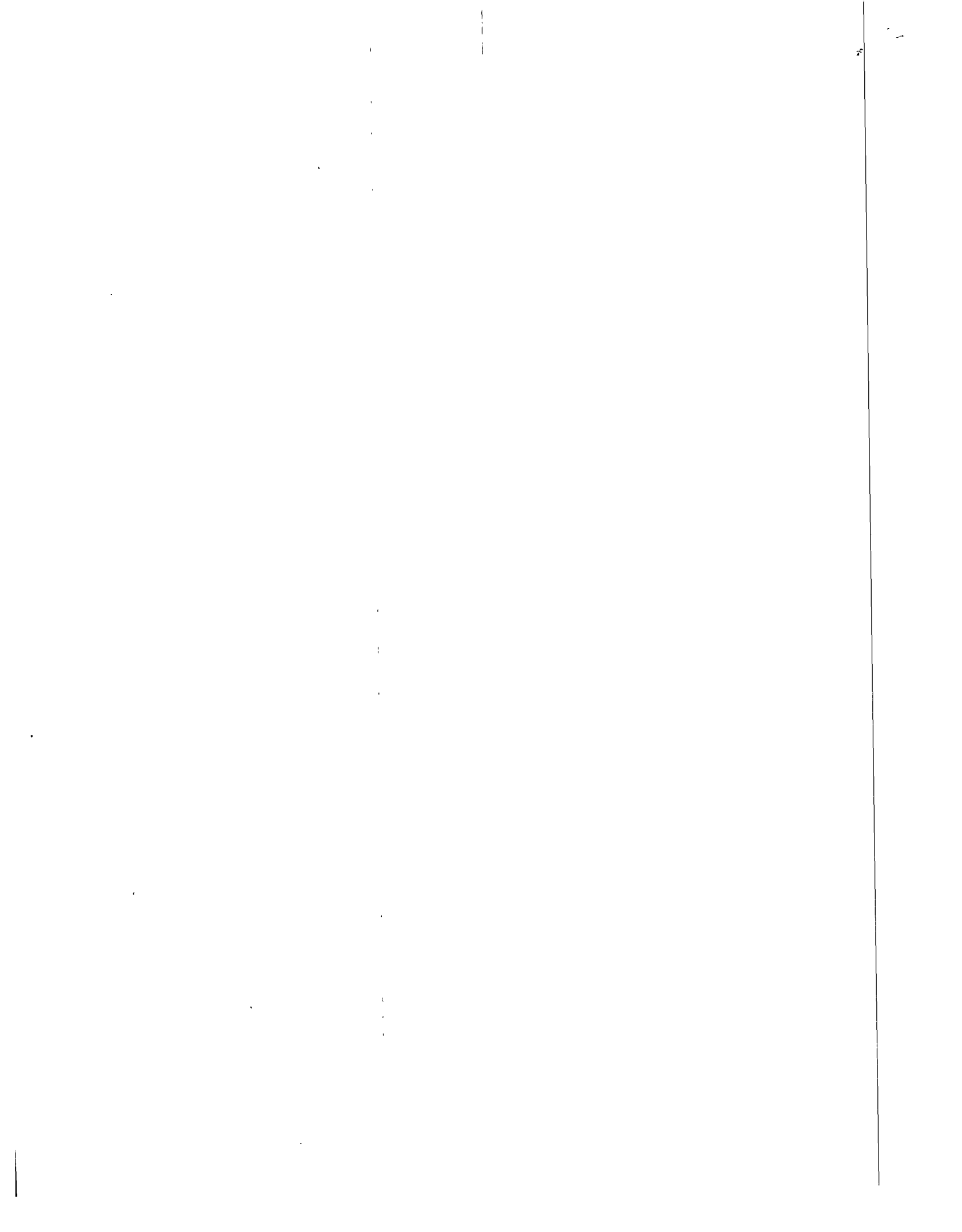
NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ 4,000,000	\$ 16,000,000

Prepared By: / Phone # / Agency Name Tara Brunner 266-0016 DOA	Authorized Signature/Telephone No. Charles E. McDowell 267-3836	Date April 15, 1999
---	--	------------------------





State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-2180/3
JK&ISR:wlj:km

4
- redraft
make
em

1999 BILL

1 **AN ACT** Reger *to amend* 20.435 (7) (kg), 20.505 (8) (h), 25.50 (3) (b), 79.015, 79.02 (2)
2 (b), 79.02 (3) and 569.06; and *to create* 20.380 (1) (km), 20.505 (8) (hm), 20.835
3 (1) (k), 79.059 and 569.01 (1m) (d) of the statutes; **relating to:** the distribution
4 of money received from Indian gaming compacts and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the governor may negotiate and enter into Indian gaming compacts. These compacts are governed by the federal Indian Gaming Regulatory Act. Pursuant to the compacts, the state receives money from the Indian tribes and from vendors who contract with the Indian tribes to assist in the gambling operations. These moneys generally reimburse the state for the costs of regulating Indian gaming under the compacts, for certifications and background investigations of Indian gaming vendors and employes of Indian tribes who are engaged in the conduct of gambling and for the costs of gaming services and assistance provided at the request of the Indian tribes. Recently, many of the compacts have been extended and the governor has negotiated the payment of additional moneys by the Indian tribes to the state.

This bill requires the department of administration to disburse 50% of the additional moneys to counties where an Indian casino is located and 30% of the additional moneys to counties that are contiguous to counties where casinos are located. Counties must use the additional moneys to develop and implement economic development initiatives to benefit Wisconsin Indian tribes and regions around casinos, support county programs and services and promote tourism. This

BILL

bill appropriates 10% of these additional moneys to the department of tourism for the purpose of tourism promotion, 5% of the additional moneys to compulsive gambling awareness campaigns and 5% of the additional moneys to general program operations of Indian gaming.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.380 (1) (km) of the statutes is created to read:

2 20.380 (1) (km) *Tourism promotion; Indian gaming revenue.* All moneys
3 transferred from the appropriation account under s. 20.505 (8) (hm) 1. b., for tourism
4 promotion.

5 **SECTION 2.** 20.435 (7) (kg) of the statutes is amended to read:

6 20.435 (7) (kg) *Compulsive gambling awareness campaigns.* The amounts in
7 the schedule for the purpose of awarding grants under s. 46.03 (43). All moneys
8 transferred from ss. 20.505 (8) (g) ~~and~~, (h) and (hm) 1. c. and 20.566 (8) (q) shall be
9 credited to this appropriation account.

10 **SECTION 3.** 20.505 (8) (h) of the statutes is amended to read:

11 20.505 (8) (h) *General program operations; Indian gaming.* The amounts in the
12 schedule for general program operations under ch. 569. All Indian gaming receipts,
13 as defined in s. 569.01 (1m) (a) to (c), less the amounts appropriated under s. 20.455
14 (2) (gc), shall be credited to this appropriation account. Annually, of the moneys
15 received under this appropriation account, an amount equal to 50% of the amount
16 in the schedule under s. 20.435 (7) (kg) shall be transferred to the appropriation
17 account under s. 20.435 (7) (kg). All moneys transferred from the appropriation
18 account under s. 20.505 (8) ^(hm) 1. d. shall be credited to this appropriation account.

19 **SECTION 4.** 20.505 (8) (hm) of the statutes is created to read:

BILL

1 20.505 (8) (hm) *Indian gaming receipts*. 1. All moneys received as Indian
2 gaming receipts, as defined in s. 569.01 (1m) (d), for the purpose of annually
3 transferring the following amounts to the following appropriation accounts:

4 a. The amount transferred to s. 20.835 (1) (k) shall be an amount equal to 80%
5 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

6 b. The amount transferred to s. 20.380 (1) (km) shall be an amount equal to 10%
7 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

8 c. The amount transferred to s. 20.435 (7) (kg) shall be an amount equal to 5%
9 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

10 d. The amount transferred to s. 20.505 (8) (h) shall be an amount equal to 5%
11 of the moneys received as Indian gaming receipts, as defined in s. 569.01 (1m) (d).

12 2. No money may be encumbered from the appropriation under this paragraph
13 after the fiscal year ending in 2004.

14 **SECTION 5.** 20.835 (1) (k) of the statutes is created to read:

15 20.835 (1) (k) *County gaming payments account*. All moneys transferred from
16 the appropriation account under s. 20.505 (8) (hm) 1. a., to make the payments to
17 counties under s. 79.059.

18 **SECTION 6.** 25.50 (3) (b) of the statutes is amended to read:

19 25.50 (3) (b) On the dates specified and to the extent to which they are
20 available, subject to s. 16.53 (10), funds payable to local governments under ss. 79.03,
21 79.04, 79.05, 79.058, 79.059, 79.06, 79.08 and 79.10 shall be considered local funds
22 and, pursuant to the instructions of local officials, may be paid into the separate
23 accounts of all local governments established in the local government
24 pooled-investment fund and, pursuant to the instructions of local officials, to the
25 extent to which they are available, be disbursed or invested.

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1 **SECTION 7.** 79.015 of the statutes is amended to read:

2 **79.015 Statement of estimated payments.** The department of revenue, on
3 or before September 15 of each year, shall provide to each municipality and county
4 a statement of estimated payments to be made in the next calendar year to the
5 municipality or county under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06.

6 **SECTION 8.** 79.02 (2) (b) of the statutes is amended to read:

7 **79.02 (2) (b)** Subject to s. 66.77 (4), payments in July shall equal 15% of the
8 municipality's or county's estimated payments under ss. 79.03, 79.04, 79.058, 79.059
9 and 79.06 and 100% of the municipality's estimated payments under s. 79.05.

10 **SECTION 9.** 79.02 (3) of the statutes is amended to read:

11 **79.02 (3)** Subject to s. 66.77 (4), payments to each municipality and county in
12 November shall equal that municipality's or county's entitlement to shared revenues
13 under ss. 79.03, 79.04, 79.05, 79.058, 79.059 and 79.06 for the current year, minus
14 the amount distributed to the municipality or county in July.

15 **SECTION 10.** 79.059 of the statutes is created to read:

16 **79.059 County gaming payments. (1) DEFINITION.** In this section, "casino"
17 means a casino or bingo hall owned by a federally recognized American Indian tribe
18 or band in this state.

19 **(2) DISTRIBUTION TO COUNTIES. (a)** The department of administration shall, in
20 each fiscal year, pay each county where a casino is located an amount equal to 50%
21 of the amount that the tribe that owns the casino paid to the state, in that fiscal year,
22 as part of an Indian gaming compact under s. 569.01 (1m) (d).

23 **(b)** The department of administration shall, in each fiscal year, pay each county
24 that is contiguous to a county where a casino is located an amount equal to 30% of

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1 the amount that the tribe that owns the casino paid to the state, in that fiscal year,
2 as part of an Indian gaming compact under s. 569.01 (1m) (d).

3 (c) Each county where a casino is located, that is also contiguous to a county
4 where a casino is located, shall receive payments under pars. (a) and (b).

5 (d) Each county that receives a distribution payment under this section shall
6 use the distribution payment for the purposes of developing and implementing
7 economic development initiatives to benefit Wisconsin Indian tribes and regions
8 around casinos, supporting county programs and services and promoting tourism.

9 (e) This section does not apply after the fiscal year ending in 2004.

10 **SECTION 11.** 569.01 (1m) (d) of the statutes is created to read:

11 569.01 (1m) (d) Moneys received by the state from Indian tribes pursuant to
12 an Indian gaming compact, except moneys received as direct reimbursements to the
13 department of justice.

14 **SECTION 12.** 569.06 of the statutes is amended to read:

15 **569.06 Indian gaming receipts.** Indian gaming receipts shall be credited to
16 the appropriation accounts under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm) as
17 specified under ss. 20.455 (2) (gc) and 20.505 (8) (h) and (hm).

18 (END)



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET
P. O. BOX 2037
MADISON, WI 53701-2037

LEGAL SECTION
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(608) 266-3561
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STEPHEN R. MILLER
CHIEF

May 4, 1999

LRB
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MEMORANDUM

To: Representative Frank Lasee

From: Ivy Sager-Rosenthal, Legislative Attorney, (608) 261-4455
Joseph T. Kreye, Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **1999 AB 291** (LRB 99-2180/4)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

April 29, 1999

TO: Ivy Sager-Rosenthal
Legislative Reference Bureau

FROM: Yeang-Eng Braun *YEB*
Department of Revenue

SUBJECT: Technical Memorandum on LRB 2180/4 - Distribution of Money Received From Indian Gaming Compacts

The department has the following concerns related to the bill:

1. Section 10: The language in s. 79.059(2)(b) specifies that the Department of Administration (DOA) will pay each county that is contiguous to a county where a casino is located an amount equal to 30% of the amount the tribe paid to the state. It should say that 30% of what is paid will go to all contiguous counties – not to each contiguous county. The bill is silent with respect to how that money is distributed to the contiguous counties - is it distributed equally? Also, are counties where only the corners of their borders touch considered contiguous?
2. It is unclear how the county payments will be distributed in the case where a tribe has casinos in different counties.
3. The bill requires that before September 15, the Department of Revenue (DOR) provide each county with a statement of estimated gaming payments to be made in the next calendar year. However, the bill is silent as to how DOR will know these amounts. The author may wish to specify that DOA is required to notify DOR of these amounts in time for the September 15 statement. Communication between DOA and DOR is required especially in the situation described in 2 above.
4. There is a problem with the payment structure as drafted. The bill requires that DOA pay the counties their moneys in the same fiscal year as received from the tribes. However, given that the payments to the counties are in July and November, payments by the tribes after the November payment may fall in the same fiscal year, but will not be paid to the counties until the following July. The department recommends that the payments to the counties in each fiscal year be for the tribes' payments in the prior fiscal year in which case the entire payment could be made in July and the November payment would be necessary only to adjust the amount paid in July.

If you have questions regarding this technical memorandum, please contact Rebecca Boldt at 266-6785.

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