

March 2, 2000

Assembly Bill 805 (Spillner/Shibilski)

Tribal Gaming Revenue for Snowmobile Enforcement Aids
(NOTE: This bill was listed in the JFC Notice as LRB 4621/1)

Summary of Bill -

This bill provides \$300,000 annually from the unallocated tribal gaming revenues for county snowmobile enforcement aids.

Currently, \$200,000 is provided annually from the snowmobile account of the conservation fund for these payments, but counties usually claim they deserve more reimbursement. The 1999-2000 Budget Bill spends \$750,000 annually from tribal gaming revenues for DNR law enforcement staff and related costs for snowmobile enforcement and education activities.

FB says there is about \$1.2 million of unallocated tribal gaming revenue.

Staff Comments -

This is bogus. It's way more money than is needed (see FB memo p. 3). The activity proposed to be funded deviates too far from the Compact Agreements. Also, the Menomonee Valley/Potawatomi got screwed in the budget, especially after the vetoes. This unallocated \$\$ should go to the Menomonee Valley!!! - see *attached Potawatomi Memo from last year*. Note: Ann Jablonski is lobbying against this bill for the St. Croix Chippewa.

Standing Committee Action -

This bill was introduced on February 25, 2000 and referred directly to the Finance Committee.

Recommended JFC Action -

Oppose AB 805
(unless a different funding source is used and/or the level of funding is reduced to a more accurate - i.e. smaller - number)

Prepared by: Barry

[REDACTED]

Forest County Potawatomi Nation

DATE: July 1, 1999
TO: Senator Brian Burke
FROM: Jeff Crawford, Attorney General (414-385-0625)
Forest County Potawatomi Community
RE: Gaming Funds for Menomonee Valley

The Forest County Potawatomi Community (FCPC) is concerned about the use of gaming compact revenues in the biennial budget.

Throughout the compacting process FCPC sought to have accountability on the funds and sought to have them returned to the counties where they were generated. FCPC was pleased when the Governor agreed during the compact process to use his best efforts to assure that the funds FCPC paid to the state would be expended in Milwaukee and Forest County. Six million of the \$6.375 million the Potawatomi will pay the state under the compact will be generated by the Potawatomi Bingo Casino in Milwaukee.

When the Governor's budget proposal was submitted the Potawatomi were troubled that there did not appear to be any guarantees that the appropriate level of funds would be returned to Milwaukee. Under your leadership the Joint Finance Committee was able to identify some important needs in Milwaukee and provide funding for them. The day that the Joint Finance Committee took that action FCPC were hosting a thank you party for community leaders that were active in their behalf on the casino expansion. In his remarks at that dinner Chairman Phil Shopodock spoke about the partnership the Potawatomi were creating with Milwaukee and recognized your work on this matter and asked the more than 250 community leaders present to extend their thanks and appreciation to you. The Potawatomi took your action as a sign of good faith in the negotiating process.

Now the State Assembly Republican Caucus has recommended the elimination of the funding for the Milwaukee Public Museum and reduced the funding for the remediation and economic redevelopment in the Menomonee Valley. We believe the state, because of the representations of the Governor, has a moral and legal obligation to work to assure those funds are returned to Milwaukee. If this good faith effort on your part is rejected by the legislature the optimism of the Potawatomi will be dashed and it will make future negotiations with the state more difficult. We appreciate your work on this and ask you to again provide support to assure these funds are returned to the Milwaukee area.

If it is possible we would also ask you to consider modifying the authorizing language to insure that the funds can be used for environmental work that prepares the valley for economic redevelopment.

Thank you for the work that you have done on this issue and please contact us if we can provide any additional assistance or information.



Legislative Fiscal Bureau

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March 2, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 805: Tribal Gaming Revenue Appropriation for Snowmobile Enforcement Aids

On February 25, 2000, Assembly Bill 805 was introduced and referred to the Joint Committee on Finance. AB 805 would appropriate tribal gaming revenue for county snowmobile enforcement aids.

BACKGROUND

The Department of Natural Resources (DNR) provides aids to counties for up to 100% of eligible county costs of enforcing snowmobile laws. Currently, \$200,000 annually is provided from the snowmobile account of the conservation fund for these aids. Counties are required to file a statement with DNR by June 1 of the costs incurred by the county in enforcing snowmobile laws during the preceding winter (May 1 to April 30). The Department audits the statements and must make aid payments to the counties by October 1. Payments for a particular snowmobile season are thus made in the following fiscal year. Aid payments can be prorated if claims exceed the appropriation level. The following table shows the number of counties that received enforcement aids for the past three winters, the total eligible costs claimed and the level of proration based on the \$200,000 appropriated in each year for these aids.

County Snowmobile Enforcement Aids History

<u>Winter</u>	<u>Number of Counties</u>	<u>Total Eligible Costs</u>	<u>Proration Level</u>
1996-97	42	\$269,000	74%
1997-98	41	227,800	88
1998-99	42	243,200	82

The counties which received funding for enforcement activities in the winter of 1998-99 (paid in 1999-00) are listed in the appendix.

Tribal gaming revenue provided to the state under the state-tribal gaming compact amendments is estimated to total \$21.5 million in 1999-00 and \$24.0 million in 2000-01. In addition, the tribes pay the state a combined total of \$350,000 annually for state regulatory costs as well as miscellaneous payments relating to vendor certification. Total tribal revenue, from all sources, is estimated at \$22.1 million in 1999-00 and \$24.5 million in 2000-01.

Under 1999 Act 9, the 1999-01 biennial budget act, \$22.4 million in 1999-00 and \$23.7 million in 2000-01 in tribal gaming revenue is allocated for a variety of purposes, including the state regulation and enforcement of tribal gaming. Under Act 9, tribal gaming revenues (\$750,000 annually) are also used to support seven DNR law enforcement staff and related costs for snowmobile education and enforcement activities. This includes mandatory snowmobile education provisions under which persons born after January 1, 1985, will be required to hold a valid snowmobile safety certificate in order to operate a snowmobile, effective January 1, 2001. Based on the tribal gaming opening balance on June 30, 1999, the anticipated revenue in the 1999-01 biennium and the allocations under Act 9, the tribal gaming program revenue appropriation has an estimated balance of \$1,173,100 on June 30, 2001.

Eight of the 11 amended compact agreements contain government-to-government memoranda of understanding (MOU) relating to the use of the additional payments. The MOU all contain a 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. In most of the MOU, the specified purposes include: (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. Several of the MOU add a fifth purpose relating to either law enforcement or public safety initiatives on the reservations.

While the MOU would appear to require the Governor to undertake his best efforts to assure that monies paid to the state are expended for specific purposes, the Legislature is not bound by the purposes specified in the MOU. The allocations under Act 9 do not entirely conform to the purposes specified in the MOU. The Legislature, subject to the Governor's veto authority, may determine how this revenue will be utilized by the state.

SUMMARY OF BILL

Assembly Bill 805 would create a DNR program revenue continuing appropriation funded from tribal gaming revenue for the purpose of providing snowmobile enforcement aids to counties funded at \$300,000 annually. Under AB 805, a total of \$500,000 annually (\$300,000 from tribal gaming revenue and \$200,000 from the snowmobile account) would be appropriated for snowmobile enforcement aids.

FISCAL EFFECT

The estimated program revenue balance in the tribal gaming receipts appropriation would be sufficient to fund the snowmobile enforcement aids provided under AB 805 in the 1999-01 biennium.

Under the bill, a total of \$500,000 in both 1999-00 and 2000-01 would be available for county snowmobile enforcement aids. The funding in the bill would allow the Department to provide an additional \$43,200 to fully fund eligible costs from the winter of 1998-99 (paid in fiscal year 1999-00), meaning a total of \$256,800 from the two appropriations would not be expended. However, given the statutory October 1 payment date, the bill would have to be amended to allow DNR to make this payment. DNR law enforcement staff estimate that eligible county expenditures for this winter (1999-00, paid in fiscal year 2000-01) are expected to total between \$300,000 and \$325,000. Thus, between \$175,000 and \$200,000 from the two appropriations would likely not be expended in 2000-01. Because the bill does not specify the manner in which the funding would be allocated from the snowmobile account appropriation or the tribal gaming revenue appropriation, it is unclear to which revenue source the unexpended funding would accrue. Unspent funds in the SEG appropriation would lapse to the snowmobile account, while unspent PR funds would remain available for expenditure in future fiscal years.

Beginning with the winter of 2000-01, the availability of increased funding may encourage local law enforcement agencies to increase snowmobile patrols. The funding level included in the bill would allow for full funding of at least a 50 percent increase in local patrol costs over eligible costs claimed in the winter of 1998-99.

Prepared by: Russ Kava and Art Zimmerman

APPENDIX

County Snowmobile Enforcement Aids (1998-99 Snowmobile Season)

<u>County</u>	<u>Eligible Cost</u>	<u>Prorated Payment</u>
Adams	\$6,989.42	\$5,749.02
Barron	4,169.34	3,429.41
Brown	3,460.61	2,846.46
Bayfield	12,567.52	10,337.18
Chippewa	10,109.56	8,315.43
Columbia	1,900.19	1,562.97
Dodge	2,634.99	2,167.36
Douglas	8,229.73	6,769.21
Dunn	2,250.00	1,850.69
Florence	1,063.88	875.07
Grant	77.13	63.44
Green Lake	2,569.37	2,113.39
Iron	6,838.23	5,624.66
Jackson	182.78	150.34
Jefferson	3,104.37	2,553.44
Juneau	5,327.05	4,381.66
Langlade	12,338.91	10,149.14
Manitowoc	1,469.47	1,208.68
Marathon	8,644.43	7,110.31
Marinette	8,190.71	6,737.11
Oconto	11,091.62	9,123.20
Oneida	1,750.07	1,439.49
Outagamie	4,032.79	3,317.10
Ozaukee	1,129.44	929.00
Pierce	4,199.13	3,453.92
Polk	3,950.53	3,249.43
Price	6,003.89	4,938.39
Portage	5,199.66	4,276.88
Racine	5,535.82	4,553.38
Richland	2,660.02	2,187.95
Rusk	6,470.51	5,322.20
Shawano	8,209.51	6,752.58
Sheboygan	6,195.41	5,095.92
Taylor	9,061.67	7,453.51
Vilas	10,592.50	8,712.66
Walworth	22,622.02	18,607.31
Washburn	3,261.98	2,683.08
Washington	2,113.69	1,738.58
Waukesha	4,359.06	3,585.46
Waushara	2,846.51	2,341.34
Winnebago	5,247.49	4,316.22
Wood	<u>14,500.90</u>	<u>11,927.44</u>
Total	\$243,151.91	\$200,000.00