

The Senate Agriculture, Veterans and Gaming Committee met on Monday, April 4, 2005 at 2:45 p.m. in Room 112, Capitol. The following members were present:

Vickerman, Chair
Skoe, Vice Chair
Day
Dille
Hann
Johnson, D.E.
Koering
Lourey
Murphy
Nienow
Rest
Skoe
Skoglund
Solon
Wergin

Senator Vickerman called the meeting to order at 2:50 p.m. and called on Senator Pappas for S.F. 1978, a bill for a state run casino.

Senator Pappas stated this bill is for a state run casino and brings fairness to all tribes.

People testifying in support were:

Erna Vizenor, Chair, White Earth Band, who stated 54,000 Indians still struggling. The solution is simple – competition.

Al Pemberton, Tribal Council Member, Red Lake Band, stated they have 50-60% unemployment on their reservation.

Luke Wilson, Tribal Council Member, Leech Lake Band, stated the Casinos they have only employ 30% of their members, they have a lack of jobs in the area.

Valerie Red Horse, Western International Securities, Inc. "SEE ATTACHMENT A." Please review "Source and Use of Funds and letter from Ms. Red Horse in regard to funding." She stated the state is taking no risk as far as financing.

Dan McElroy, Chief of Staff, Governor Pawlenty's office, stated this is good policy for the State of Minnesota.

Paul Anton, President, Anton, Lubov & Associates, Inc. stated the impact on competition will be initially there will be a drop in revenues for Casinos near the Twin Cities, stated it splits growth in casino gambling differently than if there were no new casinos. Stated there would be negligible impact on outstate casinos. **"See Attachment in Attachment A marked "Economic Implications"**.

Jim Mayer, Sr. V.P. Dougherty Financial Group, no question about financing of this project.

Dave Anderson, stated this will provide some financial security to these tribes.

Irene Aginash, Tribal Council Member, White Earth, stated the rich continue to get richer and the poor get poorer.

People speaking in opposition were:

Kristine Eiden, Chief Deputy Attorney General, "See Attachment B." She stated Minnesota has a ticket generating lottery and the Constitution states: "The Legislature shall not authorize any lottery or the sale of lottery tickets, other than authorizing a lottery and sale of lottery tickets for a lottery operated by the state." She also stated that nowhere in the extensive legislative testimony on the lottery bills debated in the 1987-1988 sessions are there any discussion of slot machines, craps or roulette wheels being authorized as a result of the constitutional amendment. Only ticket generated lotteries were talked about. She stated the evidence of the understanding of the voters in adopting the constitutional amendment in 1988 illustrates and understanding that only ticket-generating lotteries would be permitted

Senator Pappas passed out a handout – **"SEE ATTACHMENT C."**

Senator Day asked how many states have not overturned this? He made reference to Attachment C stating it is their view Attorney General Hatch's opinion does not rigorously apply to these rules and relies instead on sources that are less reliable and of questionable applicability.

Doreen Hagen, Prairie Island Indian Community, stated what they built at Prairie Island – they built alone. They are proud of their success but now their being attacked for it.

Brian Rusche, Executive Director, Jt. Religious Legislation Coalition, stated when you put a casino in a community you have increased bankruptcies, suicides, domestic violence, and other consequences. He stated now there are one to one and one-half percent with a gambling addiction and two percent that have a problem with gambling.

David Strom, President, MN Taxpayer League, **“See Attachment D.”**
Tom Prichard, President, MN Family Council, stated their position is that the state should be looking at ways to do away with gambling, not expanding it.

Annette Meeks, Director of Gov. Affairs and Public Programs, The Center for the American Experiment. She Stated 80% of all adults gamble. Even though only 39% think there's too much gambling. Utah and Hawaii are the only two states without gambling. She doesn't believe the state should be in the “luck” business.

Archie LaRose, Secretary-Treasurer, Leech Lake Reservation, testified the people of the reservation are opposed to this idea.

Senator Koering stated he is tired of everyone coming in opposing this – but they have no ideas for solutions to the problem.

Valerie Red Horse, got up to testify that no Indian Casino has ever filed bankruptcy.

Senator Dille stated a deal is a deal and he is troubled with the state trying to get ahead by expanding gambling.

Senator Solon stated she is concerned about raising state revenue by gambling and what message it sends to our kids.

Doreen Hagen, testified the median wage is \$26,497 without benefits and tips.

Senator Lourey stated it's interesting the the Governor feels he can break his deal with the Indians, but not his “no-new tax pledge.”

Senator Skoe moved S.F. 1978 be recommended to pass and be referred to Taxes.

Senator Nienow moved amendment SCS1978A-4. AMENDMENT DEFEATED.

Senator Nienow moved amendment SCS1978A-9. AMENDMENT DEFEATED.

Senator Rest asked for a roll call vote.

Those voting in the affirmative were: Senators Day, Koering, Skoe and Wergin. Those voting in the negative were: Dille, Hann, Johnson, D.E., Lourey, Murphy, Nienow, Rest, Skoglund, Solon, Vickerman. **BILL DEFEATED 4 TO 10.**

Senator Scheid pulled her bill from today's agenda.

Senator Day stated he would like to move the amendment SCS1609A-2, as it was not moved at the last meeting. They also incorporated A-9 into this. AMENDMENT PASSED.

Senator Dille moved the A-10 amendment. AMENDMENT DEFEATED.

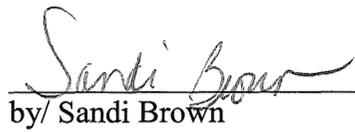
Senator Day moved that S.F. 1609, as amended be passed, and be referred to Finance. He asked for a roll call. Those voting in the affirmative were: Day, Koering, Nienow and Wergin. Those voting in the negative were: Dille, Hann, Johnson, D.E., Lourey, Murphy, Rest, Skoe, Skoglund, Solon and Vickerman. **BILL DEFEATED 4 TO 10.**

Meeting adjourned at 5:50 p.m.

This meeting was taped.



Sen. Jim Vickerman, Chair



by/ Sandi Brown

Senate Agriculture, Veterans and Gaming Committee

Monday, April 4, 2005

2:45 p.m. Room 112, Capitol

AGENDA

S.F. 1978-Pappas: State-run casino.

Dan McElroy, Chief of Staff, Office of the Governor
Erma Vizenor, Chair, White Earth Band of Ojibwe
Al Pemberton, Tribal Council Member, Red Lake Band of Chippewa Indians
Luke Wilson, Tribal Council Member, Leech Lake Band of Ojibwe
Valerie Red Horse, Senior Managing Director, Western International Securities
Paul Anton, Principal, Anton Lubov, Inc.
Jim Mayer, Dougherty Financial Group
Dave Anderson

Opposed:

Kristine L. Eiden, Chief Deputy Attorney General, Office of the Attorney General
Doreen Hagen, Prairie Island Indian Community, Tribal Council President
Brian Rusche, Executive Director, Joint Religious Legislative Council
David Strom, President, MN Taxpayers League
Tom Prichard, President, MN Family Council
Annette Meeks, Director of Gov. Affairs and Public Programs, The Center for the
American Experiment

S.F. 1723-Scheid: Modifying restrictions on simulcasting and operating a card club for harness track.

S.F. 1609-Day: Racino