



STATE OF WISCONSIN

Assembly Journal

Ninety–Third Regular Session

10:00 A.M.

TUESDAY, August 5, 1997

The Assembly met in the Assembly Chamber located in the State Capitol.

Representative Walker in the chair.

The Assembly dispensed with the call of the roll.

AMENDMENTS OFFERED

Assembly substitute amendment 1 to **Assembly Bill 215** offered by Representative Underheim.

AGENCY REPORTS

State of Wisconsin
Legislative Audit Bureau
Madison

August 1, 1997

To the Honorable, the Legislature:

We have completed an audit of the Wisconsin Gaming Board, as required by s. 13.94(1)(eg), Wis. Stats. We have issued an unqualified opinion for the Gaming Board's financial statement for the three programs it administers—Racing, Charitable Gaming, and Indian Gaming—for fiscal years (FYs) 1994–95 and 1995–96. Given the considerable interest in Indian gaming operations in Wisconsin, we have provided additional information in this area.

Pari–mutuel tax revenue, which is deposited directly in the State's General Fund, has declined from \$4.74 million in FY 1994–95 to an estimated \$2.6 million in FY 1996–97. While five greyhound racetracks were in operation at the peak of pari–mutuel activity, two have closed. Given the current status of greyhound racing in Wisconsin, it is not likely any significant increase in racing revenues will occur.

Similarly, the amount generated by a 2 percent bingo tax based on gross bingo revenues deposited directly in the State's General Fund has also declined from \$566,300 in FY 1994–95 to an estimated \$545,200 in FY 1996–97.

Based on data from the Indian tribes' financial statements from 1992 through 1996, the five–year period during which

tribal–state gaming compacts have been in effect, we found the tribes' gaming–related revenues totaled \$2.4 billion, expenses were \$1.5 billion, and net profits were \$946.8 million. The financial statements submitted by the tribes indicate that at least \$829.9 million of these profits was transferred to the tribes or paid directly to tribal members over the five–year period.

The compacts currently in effect will begin to expire in August 1998, and negotiations between the tribes and the Governor are currently underway. Questions related to payments by the tribes are likely to be of substantial interest during these negotiations, including whether the tribes' payments for the State's regulatory costs, which currently total \$350,000 annually, should be increased. A second question is whether the tribes should make other payments in exchange for the exclusive rights to conduct casino gaming.

Respectfully submitted,
DALE CATTANACH
State Auditor

REFERENCE BUREAU CORRECTIONS

Assembly Bill 387

1. Page 4, line 4: delete that line.
2. Page 4, line 11: after that line insert:

“(b) A person who violates sub. (3) shall be subject to a forfeiture of \$200.”.

ADJOURNMENT

Representative Jensen moved that the Assembly stand adjourned until 10:00 A.M. on Thursday, August 7.

The question was: Shall the Assembly stand adjourned?

Motion carried.

The Assembly stood adjourned.

10:01 A.M.