

FISCAL NOTE
Requested by Legislative Council
02/07/2007

Amendment to: SB 2225

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2005-2007 Biennium | | 2007-2009 Biennium | | 2009-2011 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | (\$4,928,956) | (\$733,096) | (\$4,928,956) | (\$733,096) |
| Expenditures | | | | (\$117,792) | | (\$117,792) |
| Appropriations | | | | (\$117,792) | | (\$117,792) |

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| 2005-2007 Biennium | | | 2007-2009 Biennium | | | 2009-2011 Biennium | | |
|--------------------|--------|------------------|--------------------|-------------|------------------|--------------------|-------------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | (\$8,245) | (\$109,546) | | (\$8,245) | (\$109,546) | |

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This amendment to the bill reduces the pull tab excise tax from 4.5% to 3%, eliminates the 5% state bingo sales tax, and implements a 3% bingo excise tax. As a result of these tax reductions, gaming grants distributions, which are based on 3% of gaming and excise taxes, are reduced 19%.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill reduces the pull tab excise tax general fund revenues by (\$3,732,852) - 33%. It eliminates the bingo sales tax revenue of (\$1,562,651) to the general fund and (\$733,096) to the state aid distribution fund.

The bill also lowers from 4.5% to 3% the tax on pulltab excise taxes -a (\$3,732,852) reduction to the general fund.

Gaming grants distributed to cities and counties based on adjusted proceeds for each locale, will be impacted by (\$117,792).

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The pull tab excise tax reduction and elimination of the bingo sales tax will result in a (\$4,928,956) impact on general fund revenues and a (\$733,096) impact on the state aid distribution fund.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Since the gaming grants distribution is based on 3% of gaming and excise tax collections and awarded based on adjusted gross proceeds in each locale, these grants to cities and counties will be impacted by (\$117,792) (19%).

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| Name: | Kathy Roll / Keith Lauer | Agency: | Office of Attorney General |
| Phone Number: | 328-3622 / 328-3234 | Date Prepared: | 02/09/2007 |