

FISCAL NOTE
Requested by Legislative Council
02/06/2019

Revised
 Amendment to: HB 1533

- 1 A. **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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$(184,000)	\$400,000	\$216,000	\$0
Expenditures	\$0	\$0	\$0	\$400,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$400,000	\$0	\$0

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

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

The bill taxes electronic pull-tabs gross proceeds at .33%. It also creates a charitable gaming technology fund, transferring \$400,000 from gaming taxes paid to the new fund in fiscal year 2020.

- 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.*

Section 1 establishes a .33% gaming tax on gaming gross proceeds for electronic pull-tabs. Since any electronic pull-tab revenue was unknown, the 2019-21 biennium revenue forecast excluded any fiscal impact. Based on 1 quarter's electronic pull-tab revenues the revenue is conservatively estimated. In addition, the impact of electronic pull-tab devices on any other gaming types is unknown at this time.

Section 2 establishes a charitable gaming technology fund for contracting for and purchasing equipment and software for a charitable gaming technology system, training employees to operate the system, and maintaining and updating the system. The fund has a continuing appropriation for this purpose however there are no additional revenues provided to go into the fund.

Section 3 transfers \$400,000 from general fund gaming tax revenues to the charitable gaming technology fund in fiscal year 2020.

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.*

For the 2019-21 biennium the general fund revenue impact is estimated to be \$216,000 relating to the .33% electronic pull-tab gaming tax and (\$400,000) for the transfer to the charitable gaming technology fund, a total of (\$184,000). For the 2021-23 biennium the general fund revenue is estimated to be \$216,000.

Since any electronic pull-tab revenue was unknown, the 2019-21 biennium revenue forecast excluded any fiscal

impact. Based on one quarter's electronic pull-tab revenues the revenue is conservatively estimated. In addition, the impact of electronic pull-tab devices on any other gaming types is unknown at this time.

Other funds are increased by \$400,000 relating to a gaming tax transfer which is normally deposited in the general fund. Although section 2 provides for the fund, other than the \$400,000 transfer, it is unclear if any other funds will be deposited into the 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.*

The \$400,000 general fund transfer from fiscal year 2020 will be used to create an electronic pull-tab system to streamline the flow of local gaming information to the Office of Attorney General.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The \$400,000 general fund transfer from fiscal year 2020 will be used to create an electronic pull-tab system to streamline the flow of local gaming information to the Office of Attorney General.

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