

FISCAL NOTE

Requested by Legislative Council

01/29/2001

Bill/Resolution No.: SB 2381

Amendment to:

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.*

1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues					
Expenditures					
Appropriations					

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Account wagering is being used in other jurisdictions, and assuming the licensed North Dakota Service Provider would initiate account wagering, the potential revenue to the General Fund, and Racing Fund administered by the Racing Commission would most likely be positive. If account wagering is allowed, potentially more people will open wagering accounts in addition to those people that already attend simulcast locations. If there were simply a transfer of people from the simulcast locations to account wagering, the effect would be revenue neutral. However, in a competitive marketplace, and in a marketplace that is progressively becoming more electronically sophisticated, account wagering may result in an increase of wagering handle in North Dakota. Obviously, if the handle goes up, the percentage that by statute is deposited in the General Fund, as well as the Racing Fund administered by the Racing Commission office would increase. However, it is impossible to project with any accuracy what that increase in handle might be. The revenue aspect as it effects the operations of the Racing Commission would be neutral, since the Racing Commission is funded directly from appropriations, and therefore there is no correlation between simulcast handle and the appropriation to the Racing Commission.

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.*

As stated above, it is impossible to accurately predict the amounts of any revenue with the implementation of this bill. However, theoretically, the revenues could only be positive. The funds that would be affected would be the General Fund through the parimutuel tax assessed and the Racing fund as provided for in North Dakota Century

Code 53.06.2.

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.*

It is not anticipated that this bill would change any of the FTE's of the North Dakota Racing Commission. However, there is potentially an enforcement issue that is unclear under the statute. There arises an issue as to which agency would be responsible for maintaining compliance or enforcing non-compliance with the bill. This most likely would require a legal opinion that is outside of the parameters of the Racing Commission office.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Depending upon the amount of increased handle, and any enforcement issues that would arise with this bill, it is possible there would need to be additional funds appropriated to the Racing Commission in order to monitor the account wagering and compliance with the bill. At this time, this agency is operating on an extremely thin margin because of the increase in dues and an increase in live racing, with no increase in its appropriation, and therefore any increase in additional workload could affect the appropriations required for the administration of the Racing Commission.

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