

# FISCAL NOTE

Requested by Legislative Council  
01/16/2007

Bill/Resolution No.: 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
<b>Revenues</b>			(\$8,787,441)	(\$209,375)	(\$8,787,441)	(\$209,735)
<b>Expenditures</b>				(\$217,835)		(\$217,835)
<b>Appropriations</b>				(\$217,835)		(\$217,835)

**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
			(\$15,248)	(\$202,587)		(\$15,248)	(\$202,587)	

**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 bill reduces the pull tab excise tax from 4.5% to 2%, eliminates the bingo sales tax, and implements a 2% 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 35%.

**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 by 56%. It eliminates the bingo sales tax revenue of \$2,407,811 to the general fund and \$209,375 to the state aid distribution fund.

Gaming grants distributed to cities and counties based on adjusted proceeds for each locale, will be impacted by (\$217,835).

**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 will result in a (\$6,379,629) impact on general fund revenues.

Elimination of the bingo sales tax will result in a (\$2,617,186) reduction, which will be a (\$2,407,811) impact on general fund revenues and a (\$209,375) 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 (\$217,835) (35%).

**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 (\$217,835) (35%).

<b>Name:</b>	Kathy Roll / Keith Lauer	<b>Agency:</b>	Office of Attorney General
<b>Phone Number:</b>	328-3622 / 328-3234	<b>Date Prepared:</b>	01/19/2007