

FISCAL NOTE
Requested by Legislative Council
01/07/2019

Revised
 Bill/Resolution No.: HB 1254

- 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	\$0		\$0	\$0
Expenditures	\$0	\$0	\$1,257,816		\$570,113	\$0
Appropriations	\$0	\$0	\$1,257,816		\$570,113	\$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).*

This bill would allow betting on all sports events.

- 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 provides for sports betting. This is estimated to result in additional revenues and expenditures/appropriations.

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 Office of Attorney General estimates this bill will significantly increase revenues for both the 2019-21 and 2021-23 biennia however is unable to provide a reasonable estimate.

Currently the political subdivisions (cities and counties) receive 7% of the gaming tax for gaming enforcement at the local level. The current appropriation for this purpose is \$510,000.

- 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 Office of Attorney General estimates it will need at least two auditor FTEs, an estimated \$532,816 for the 2019-21 biennium - \$397,176 in salaries and wages and \$135,640 in operating expenses. For the 2021-23 biennium the estimated cost of the 2 FTEs is estimated at \$570,113, \$424,978 in salaries and wages and \$145,135 in operating expenses.

Additionally, a new computerized gaming system will be needed to accommodate auditing and tracking sports betting. A new system is estimated to cost between \$450,000 and \$1,000,000. The expenditures and appropriations above include the average of the range.

- 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.*

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The Executive Recommendation did not anticipate this change.

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