

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/12/2015**

Amendment to: HB 1203

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 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).*

Provides a decreased tax cap for any licensee (simulcast/account deposit wagering company) which applies for and conducts a 12 day live horse racing meet in the state.

- 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.*

The fiscal impact of the bill is unknown at this time. The bill provides financial incentives to both currently licensed simulcast/account deposit wagering company and those considering licensure in the state. Only one currently licensed simulcast/account deposit wagering company pays taxes in excess of the reduced tax cap available pursuant to this bill. However, several large simulcast/account deposit wagering companies, if licensed in ND, would pay taxes in excess of the reduced tax cap.

If the currently licensed company who pays taxes in excess of the reduced tax cap did apply for and conduct a qualifying race meet, there would be a fiscal effect to the General Fund and our three continuing appropriations - Purse, Promotion, and Breeders' Funds - of (\$55,000) to each. If any other company currently licensed or considering licensure operated a qualifying race meet, there would be no decrease to the current level of tax revenue. However, at this time it is unknown what company, if any, will undertake to operate a qualifying meet.

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 fiscal impact of the bill is unknown at this time. The bill may provide sufficient tax incentive to drive larger simulcast/account deposit wagering companies licensed in other states to seek licensure in ND which would subsequently increase tax revenues. Many of the larger companies already have in-house expertise in operating race meets. However, it is currently unknown if any companies will decide to relocate to ND.

See section 2B for further explanation.

- 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.*

No additional expenditures are anticipated at this time.

- 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 fiscal impact of the bill is unknown at this time. The bill may provide sufficient tax incentive to drive larger simulcast/account deposit wagering companies licensed in other states to seek licensure in ND which would subsequently increase tax revenues to the Commission's continuing appropriations: Purse, Promotion, and Breeders' Funds. However, it is currently unknown if any companies will decide to relocate to ND.

If our single currently licensed simulcast/account deposit wagering company who pays taxes in excess of the reduced tax cap were to operate a live race meet, the tax reduction would be (\$55,000) to each of our continuing appropriations. However, at this time it is unknown if that company will undertake to operate a qualifying meet.

See section 2B for further explanation.

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