## 19.0604.02000

## 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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