

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Revised
 Bill/Resolution No.: SB 2301

- 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		\$(400,000)	\$400,000		
Expenditures	\$0		\$0	\$472,000	\$0	\$72,000
Appropriations	\$0		\$0	\$472,000	\$0	\$72,000

- 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			
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).*

This bill changes the tax to a four-tiered tax on gaming adjusted gross proceeds. It adds a continuing appropriation for a charitable gaming technology fund for contracting and purchasing equipment and software for a charitable gaming technology system.

- 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.*

If gaming adjusted proceeds are over \$1,000,000 the tax rate is 10.75%. If the gaming adjusted gross proceeds are over \$300,000 the gaming tax is 5% and if the gaming adjusted gross proceeds are \$100,000 or less the gaming tax is 3.75% The current gaming tax rate is \$15,000 plus 2.25%.

The bill provides for gaming license increases and provides that this increase is deposited in the charitable gaming technology fund. It adds a continuing appropriation for a charitable gaming technology fund for contracting and purchasing equipment and software for a charitable gaming technology system.

The bill increases the cost of gaming stamps purchased from the Office of Attorney General from \$.35 to \$.40, with \$.12 of the revenue to be deposited in the Office of Attorney General's operating fund.

The bill provides for a \$400,000 deposit from the general fund into the charitable gaming technology fund of \$400,000 in fiscal year 2020.

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.*

There is expected to be a significant increase in gaming revenues with the passage of this bill. At this point the amount of these changes is unknown. The estimated biennial deposits to the charitable gaming technology fund is \$72,000.

- 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 bill provides for a \$400,000 transfer from the general fund gaming tax revenues to the fund. The bill provides for a continuing appropriation for the fund.

- 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 bill provides for a \$400,000 transfer from the general fund gaming tax revenues to the fund. The bill provides for a continuing appropriation for the fund.

The Executive Recommendation did not anticipate the changes in this bill.

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