

**FISCAL NOTE**  
**HOUSE BILL NO. 1426**  
**LC# 23.0810.02000**  
**01/23/2023**

**1 - 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.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$(1,920,000)	\$1,920,000		
<b>Expenditures</b>				\$18,000		
<b>Appropriations</b>				\$18,000		

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

**3 - 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 provides for a transfer of fifty percent of gaming taxes, monetary fines, and interest and penalties collected from a veteran organization in the veterans' postwar trust fund.

**4 - Fiscal Impact Sections Detail**

*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 amends NDCC 3-06.1-12 to provide for a transfer of fifty percent of gaming taxes, monetary fines, and interest and penalties collected from a veteran organization in the veterans' postwar trust fund.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

In FY 2022 there were 47 licensed veterans' organizations conducting gaming. Those 47 organizations averaged \$4,800,000 per quarter in adjusted gross proceeds or \$19,200,000 in adjusted gross proceeds for FY 2022. At an effective tax rate of 10%, approximately \$1,920,000 in taxes was paid.

Using the same estimates for the 2023-25 biennium, fifty percent to the PWTF would be \$960,000 per year, or \$1,920,000.00 per biennium. This will create a reduction of the same amount in the transfer to the general fund at the end of the 2023-25 biennium.

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The gaming system would need an upgrade to identify all veterans' organizations and calculate fifty percent of taxes paid by each organization. The cost for this upgrade is estimated at \$18,000

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please 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 Office of Attorney General would need an additional \$18,000 appropriation from the charitable gaming operating fund to pay for the upgrades.

## Contact Information

**Name:** Becky Keller

**Agency:** Attorney General's Office

**Telephone:** 7013285521

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