

# FISCAL NOTE

Requested by Legislative Council

02/10/2003

Amendment to: HB 1243

1A. **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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$1,635,000	\$5,325,000	\$2,573,000	\$6,993,000
<b>Expenditures</b>	\$0	\$0	\$0	\$3,690,000	\$0	\$4,420,000
<b>Appropriations</b>	\$0	\$0	\$0	\$3,690,000	\$0	\$4,420,000

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The bill creates a North Dakota lottery division within the Office of Attorney General. The lottery would join other government-authorized lotteries to operate a joint lottery game. The bill appropriates funds for compulsive gambling prevention and treatment services, provides for hiring a director and necessary employees, authorizes the director to contract for various services, creates a lottery advisory commission, provides for licensing of retailers, establishes lottery operating and prize payment funds, requires an annual audit, requires an annual transfer of net proceeds to the general fund, and provides for a setoff on certain prize amounts to satisfy debt owed to or collected through state agencies.

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.*

General Fund revenues are estimated net proceeds resulting from operating a North Dakota lottery starting January 1, 2004.

Other Funds revenues are estimated sales of lottery tickets, less prizes, plus estimated license and criminal history record check fees.

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.*

Other Funds expenditures are estimated administrative and operating expenses and funding for compulsive gambling prevention and treatment services. These expenses include salaries for 6 FTE's, lottery commission, vendor fees, marketing, advertising, association dues, and one-time start-up costs.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Other Funds appropriations equal Other Funds expenditures.

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