

# FISCAL NOTE

Requested by Legislative Council

02/07/2003

Amendment to: HB 1495

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	\$10,510,000	\$181,000	\$25,848,000	\$410,000
<b>Expenditures</b>	\$0	\$0	\$2,323,000	\$0	\$1,812,000	\$0
<b>Appropriations</b>	\$0	\$0	\$2,323,000	\$181,000	\$1,812,000	\$410,000

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	(\$53,000)	(\$119,000)	\$0	(\$114,000)	(\$292,000)	\$0

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

The bill would enable licensed gaming organizations to use coin-operated gaming devices in the conduct of games of chance. The bill would prescribe a maximum bet limit, require video surveillance for gaming sites, set a monthly rent limit for each device that is necessary at a site, provide for a fixed gaming tax of 25% on adjusted gross proceeds (gross proceeds less prizes) of devices, require manufacturers of devices to apply for a manufacturer's license, and transfer one percent of the gaming device tax to the compulsive gambling prevention and treatment fund.

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 represent the estimated increase in gaming and excise tax collections attributed to the use of coin-operated gaming devices in the charitable gaming industry starting January 1, 2004.

Other fund revenues represent one percent of the gaming device tax that would be transferred to the compulsive gambling prevention and treatment fund.

The negative county and city fiscal effect relates to the direct reduction in sales tax revenue and indirect reduction in sales tax state aid distributions caused by the estimated diversion of a certain sum of gross proceeds from bingo (on which sales tax applies) to coin-operated gaming devices.

Qualification: If two or more bills propose to increase gaming activity, each of the bills may impact each other and reduce the combined fiscal effect of the two or more bills.

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.*

General fund expenditures are estimated administrative and operating expenses. These expenses include salaries and

fringe benefits, contractual services, vendor fees, telecommunications, computer equipment and software, 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.*

General fund appropriations equal the estimated general fund expenditures.

Other fund appropriations equals one percent of the gaming device tax that would be transferred to the compulsive gambling prevention and treatment fund.

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