

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/10/2015**

Amendment to: SB 2202

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$(6,600,000)	\$4,136,034	\$(6,600,000)	\$4,136,034
<b>Expenditures</b>	\$0	\$0	\$0	\$4,136,034	\$0	\$4,136,034
<b>Appropriations</b>	\$0	\$0	\$0	\$4,136,034	\$0	\$4,136,034

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
<b>Counties</b>		\$1,785	\$1,785
<b>Cities</b>		\$23,713	\$23,713
<b>School Districts</b>			
<b>Townships</b>			

- 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 reduces the gaming tax on gross proceeds exceeding \$25,000 from 1% to .75%. Current law provides for a 1% tax on gaming gross proceeds less than \$1.5 million, and a 2.25% plus \$15,000 tax for gross proceeds of \$1.5 million and above.

- 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.*

As amended, this bill transfers the reduced general fund revenues into the Gaming Regulation and Enforcement fund to fund the Office of Attorney General's Gaming Division via a continuing appropriation. The gaming enforcement grants distributed to cities and counties will increase based on the rate change from 7% to 13%.

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.*

As amended, this bill will reduce 2015-17 biennium general fund revenues by an estimated \$6.6 million. It will increase other funds revenues into the Gaming Regulation and Enforcement fund by an estimated \$3.6 million. The 2015-17 and 2017-19 biennia gaming monetary fines, interest and penalties revenues are estimated to be \$16,818 for each biennium.

- 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.*

As amended, the Office of Attorney General's Gaming Division will receive gaming regulation and enforcement funding as a result of the Gaming Regulation and Enforcement fund continuing appropriation of approximately \$3.6 million (after the tax rate reductions). The estimated \$4.136 million shown in Section 1 A will provide \$535,498 for gaming enforcement grants to political subdivisions, an increase of \$25,498 based on increasing the rate these entities receive from 7% to 13%.

- 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.*

To provide \$535,498 in gaming enforcement grants to cities and counties the \$510,000 in grants in the Office of Attorney General's appropriation bill - Senate Bill No. 2003 will need to be increased.

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