

FISCAL NOTE
Requested by Legislative Council
02/03/2015

Bill/Resolution No.: SB 2314

- 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 |
| Revenues | | | | | | |
| Expenditures | | | \$230,554 | | \$238,246 | |
| Appropriations | | | \$230,554 | | \$238,246 | |

- 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 |
|-------------------------|--------------------|--------------------|--------------------|
| 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 allows 50/50 raffles to utilize random number generators rather than issuing tickets, then the winning ticket number is generated by the raffle system rather than drawn by hand.

- 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.*

For 50/50 raffles, the winner of the raffle receives 50% of the total gross proceeds and the remainder is kept by the charitable organization to donate to the institution. Section 1 provides for the use of random number generators in drawing the winning ticket virtually for a 50/50 raffle. Fifty-fifty raffles are most often played at colleges and universities. There are about 15 higher education institutions using 50/50 raffles to raise money for their teams. These raffles can be played at every higher education team's home games.

Higher education institutions participating in 50/50 raffles use a system to issue ticket numbers to event attendees. The random number generator is an option on the system. A computer chip to be installed into the hardware used to issue the tickets will be tested by an independent gaming laboratory. An additional Gaming auditor will need to test this computer chip in every entities' hardware on a quarterly basis to assure it maintains its original integrity from the independent laboratory testing. When higher education institutions rent their hardware and system to others, the auditor will need to verify the integrity of the computer chip before it is used.

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.*

N/A

- 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.*

An additional Gaming auditor is needed to perform the audits needed on the hardware and software system to assure the computer chip in it maintains its original integrity verified when it was tested by an independent gaming laboratory. This will result in significant travel to the institutions using this process to generate the winning ticket. The estimated expenditures for the 2015-17 biennium total \$230,554, funded from the general fund. For the 2017-19 biennium estimated expenditures total \$238,246 from the general 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 Executive Recommendation was unable to anticipate the impact of this bill; the appropriation and 1 auditor position will need to be added to Senate Bill No. 2003, the Office of Attorney General's appropriation bill or be added to this bill.

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