

FISCAL NOTE
Requested by Legislative Council
11/08/2021

Bill/Resolution No.: HB 1509

- 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.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(442,752)		\$(590,333)	
Expenditures				\$50,000		
Appropriations						

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

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 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 changes the tax structure for licensed organizations permitted to conduct raffles.

- 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.*

The licensed organizations permitted to conduct raffles tax will change from adjusted gross sales with a two tiered tax structure to gross proceeds with a one percent tax. This will result in a decrease in the tax revenue deposited in the Charitable gaming operating fund and increased expenses for a Gaming system modification.

At the end of the biennium, the amount in the charitable gaming operating fund less the amount appropriated for the next biennium will be transferred to the general 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.*

The organizations that conduct raffles will change from a two tiered tax based on adjusted gross sales to a single tax based on gross proceeds. The effective date is for events occurring after December 31, 2021. This will cause an estimated decrease of 442,752 into the Charitable gaming operating fund for the 21-23 biennium and it will cause an estimated decrease of 590,000 into the Charitable gaming operating fund for the 23-25 biennium.

At the end of the biennium, the amount in the charitable gaming operating fund less the amount appropriated for the next biennium will be transferred to the general fund.

- 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.*

The current gaming system does not support having unique tax calculations for each individual game type. A modification to the gaming system would need to be completed at an estimated cost of 50,000.

- 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.*

There is no appropriation to cover the additional cost to modify the gaming system.

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