

FISCAL NOTE
Requested by Legislative Council
04/16/2011

Amendment to: Engrossed
SB 2042

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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$6,758,230)		(\$10,800,000)	
Expenditures						
Appropriations						

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. 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 and excise taxes paid by charitable gaming organizations to 1% of gross proceeds effective January 1, 2012, which would result in a \$6.7 million general fund revenue reduction for the 2011-13 biennium and \$10.8 million reduction for the 2013-15 biennium.

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.*

Assuming no change in gross wagers, a 1% tax on gross wagers would reduce the total general fund taxes collected from the charitable gaming industry by \$6.7 million, from \$15.8 to \$9.1 million for the 2011-13 biennium and by \$10.8 million for the 2013-15 biennium.

The gaming tax payback to cities and counties will be changed to 10% effective January 1, 2012, which should maintain the same payback amount.

The increase in allowable expenses, from 51% to 60% of adjusted gross proceeds would have no fiscal impact on this bill because the gaming tax is based on gross wagers.

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.*

Assuming no change in gross wagers, a 1% tax on gross proceeds would reduce the total general fund taxes collected from the charitable gaming industry by \$6.7 million for the next biennium, from \$15.8 to \$9.1 million for the 2011-13 biennium and by \$10.8 million for the 2013-15 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.*

The gaming tax payback to cities and counties should remain at the current level of \$510,000, which is appropriated for the 2009-11 and 2011-13 biennia.

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 is also included in the executive budget or relates to a continuing appropriation.*

Currently \$510,000 is appropriated for the 2009-11 and 2011-13 biennia for the gaming tax payback to cities and counties.

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