

FISCAL NOTE
Requested by Legislative Council
04/22/2011

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 | | | (\$6,796,723) | | (\$6,796,723) | |
| 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. There are 4 tax rates, ranging from 1% to 2.5% depending on each organization's gross proceeds.

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, the proposed tax rates on gross wagers would reduce the total general fund taxes collected from the charitable gaming industry by \$6.8 million, from \$15.8 to \$9 million for the 2011-13 and the 2013-15 bienniums.

The gaming tax payback to cities and counties would be changed to 6 percent 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, the tax change on gross proceeds would reduce the total general fund taxes collected from the charitable gaming industry by \$6.8 million for the 2011-13 and 2013-15 bienniums.

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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