

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1205

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0		\$(200,000)		\$(100,000)	
Expenditures	\$0		\$922,000		\$422,000	
Appropriations	\$0		\$922,000		\$422,000	

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 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 foreign tax exempt corporations to apply for a local or charity permit for a raffle.

- 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.*

This bill would allow any foreign corporations and current eligible organizations with a 501(c)(3) tax exempt status to conduct raffle activity without a state gaming license and therefor exempt these organizations from paying state gaming taxes. Regulation of foreign corporations would require additional staff and associated expenses. The current Gaming system will need to be rewritten to accommodate the changes required in this bill.

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.*

Since these tax-exempt entities will not pay gaming taxes these tax revenues will be reduced.

- 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 expenditures needed as result of this bill include a gaming auditor, associated expenses, and a rewrite of the Gaming system to accommodate such entities. The estimated expenditures of \$922,000 include one auditor and related expenses.

- 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 estimated appropriation needed as a result of this bill is \$922,000 from the general fund. This bill was not anticipated in the Executive budget.

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