

2009 SENATE FINANCE AND TAXATION

SB 2190

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2190

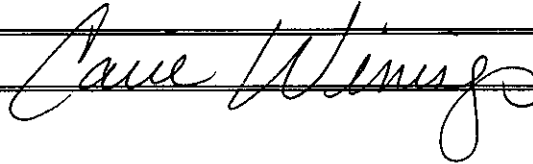
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 01/21/2009

Recorder Job Number: 7407 & end of 7408

Committee Clerk Signature



Minutes:

Chairman Cook: Opened hearing on SB 2190.

Keith Lauer, Director of the Gaming Division: See Attachment #1 for explanation on gaming.

The general understanding is that this bill would be covered under SB 2215, and that this in essence became useless.

Chairman Cook: Last session then, we changed the sales tax to an excise tax for bingo's conducted by state licensed charities?

Keith Lauer: Any charity. The trouble is the language in the current statues, is that it refers to an organization rather than a "licensed" organization for the excise tax. Under a local permit you can't do pull tabs. So the pull tab excise tax of 4 ½ % does not apply, but the bingo excise tax does of 3%. It has been a hassle for our office. SB 2215 is to eliminate that bingo excise tax for local permit holders. We are trying to clean up the language.

Chairman Cook: So is it best to close for now, to reopen after SB 2215.

Hearing suspended until after SB 2215.

Chairman Cook: Reopens hearing on SB 2190.

Vice Chairman Miller: Motions a DO NOT PASS.

Senator Oehlke: Seconded the motion.

Roll Call Vote was taken. Yea: (7), Nay (0), Absent (0)

Senator Dotzenrod will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 01/12/2009

Bill/Resolution No.: SB 2190

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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 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 exempts religious organizations and elementary and secondary school educational organizations from paying the 3% bingo excise tax on gross proceeds on the sale of bingo cards.

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 fiscal impact of this bill is anticipated to be less than a \$5,000 decrease in general fund revenues.

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 fiscal impact of this bill is anticipated to be less than a \$5,000 decrease in general fund revenues.

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.*

N/A

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.*

N/A

Name:	Kathy Roll	Agency:	Office of Attorney General
Phone Number:	328-3622	Date Prepared:	01/14/2009

REPORT OF STANDING COMMITTEE

SB 2190: Finance and Taxation Committee (Sen. Cook, Chairman) recommends DO NOT PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2190 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

SB 2190

#1

Local Permit Option Available for Smaller Organizations

Charitable gaming organizations that only conduct limited games of chance should consider the Local Permit or Charity Local Permit as an option to maximize their profit potential.

Annually about 2,000 small organizations or groups of people conduct limited games of chance under Local Permits or Charity Local Permits. Listed below are some of the features of Local Permits and Charity Local Permits:

Features of Local Permits

- Game types restricted to raffles, bingo, and sports pools.
- Unlimited number of occasions provided the total prizes don't exceed \$12,000 for a calendar or fiscal year (July 1 – June 30).
- The primary prize offered under a local permit can't exceed \$2,500.
- The governing body of a city or county may establish a fee not to exceed \$25 for each permit issue. No site authorization or license fees are required.
- Approval is granted at the discretion of the governing body and may include any nonprofit organization or group of people recognized as being public spirited.
- Limited reporting of bingo excise tax only if that game type is conducted.

Features of Charity Local Permits

- Game types restricted to raffles, bingo, sports pools, paddlewheels, twenty-one, and poker.
- Limit of one event per year with total prizes not exceeding \$12,000 for a calendar or fiscal year (July 1 – June 30). No additional gaming activity may be conducted during the remainder of the year.
- The primary prize offered under a charity local permit can't exceed \$2,500.
- The governing body of a city or county may establish a fee not to exceed \$25 for each permit issue. No site authorization or license fees are required.
- Approval is granted at the discretion of the governing body and may include any nonprofit organization or group of people recognized as being public spirited.
- Employees must be volunteers and can't be paid remuneration for services provided.
- Chips must be used for wagers of the appropriate game types and are redeemable for merchandise or cash.
- Limited reporting of gaming activity to the Attorney General's office and local governing body and payment of bingo excise tax only if that game type is conducted.

A small organization should consider these local permit options prior to applying for a state gaming license in order to maximize its profit from charitable games of chance.