

FISCAL NOTE

Bill #: HB0188

Title: Transfer portion of video gaming revenue to horse racing counties

Primary

Sponsor: Edith Clark

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
State Special Revenue	551,840	604,280
Revenue:		
General Fund	(551,840)	(604,280)
State Special Revenue	551,840	604,280
Net Impact on General Fund Balance:	(551,840)	(604,280)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. HB 188 transfers and statutorily appropriates 4% of the state share of video gambling machine tax to the Board of Horse Racing for further distribution to counties that have both an annual county fair and licensed horseracing.
2. It assumed the Board of Horse Racing would disburse all video gaming tax revenue transferred to it under this act in each fiscal year of the 2003 biennium. Based upon the projected video gaming revenues adopted by the Revenue Oversight Committee for the next biennium, it is estimated that in FY 2002 \$551,840 (\$13.796 million * 4%) and that in FY 2003 \$604,280 (\$15.107 million * 4%) would be collected and disbursed in each fiscal year.

(continued)

3. General Fund revenue would be reduced by the amount transferred to the Board of Horse Racing.
4. In accordance with the proposed legislation, the Board of Horse Racing would establish and implement procedures for disbursing funds to eligible facilities, while ensuring that said funds are distributed and used appropriately.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Transfers	551,840	604,280
<u>Funding:</u>		
State Special Revenue (02)	551,840	604,280
<u>Revenues:</u>		
General Fund (01)	(551,840)	(604,280)
State Special Revenue (02)	551,840	604,280
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(551,840)	(604,280)
State Special Revenue (02)	\$0	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The funds are to be used by the county to defray administrative costs and direct expenses associated with licensed horseracing operations, agricultural and youth activities, and improvements at the fairgrounds. Theoretically, revenue originally used to cover these expenses would be available for other purposes. The qualifying 6 – 8 counties in Montana that conduct racing and agricultural and youth activities would receive approximately \$551,000 in FY 2002 and \$604,000 in FY 2003. The additional revenue would be used for facility infrastructure improvements, lowering maintenance expenses, and facility operation.

LONG-RANGE IMPACTS:

Decrease the amount of video gaming tax available to the general fund.