



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	HB0141	Title:	Revise gambling control laws
Primary Sponsor:	Noonan, Pat	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$376,815	\$376,815	\$376,815	\$376,815
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The passage of HB 141 would result in an increase in revenue to the Department of Justice (DOJ) gambling state special revenue account and to local governments.

FISCAL ANALYSIS

Assumptions:

Department of Justice:

- In FY 2012, 62 licensed locations offered card tournaments. Those 62 locations applied for and were granted permits for 239 tournaments for a total collection of \$2,390 [\$10 permit fee * 239 tournaments = \$2,390].
- The change to an annual large stakes permit and \$120 fee requirement (rather than the current separate permit and \$10 fee for each tournament of any stake) is not assumed to significantly impact the number of locations offering card tournaments. Therefore, an additional \$5,050 will be collected in the gambling state special revenue fund [(62 locations * \$120 annual fee = \$7,440) - \$2,390 = \$5,050].

3. In FY 2014, it is assumed that 25 licensed locations will apply for and receive an annual small-stakes live card game tournament permit. That will result in \$12,500 being collected and deposited into the gambling state special revenue account [25 locations x \$500 permit fee = \$12,500].
4. With the changes in the live card game pot limit and live card game tournaments, it is assumed the number of card tables permitted will increase 10%. In FY 2012, 254 locations permitted one live card table and of those, 41 permitted an additional table. A 10% increase would result in 25 more locations permitting one card table and four permitting additional tables. A total of \$8,250 [(25 tables x \$250 permit per 23-5-306, MCA) + (4 tables x \$500 permit per 23-5-306, MCA) = \$8,250] would be collected in FY 2014. Of that, \$2,900 would be deposited in the gambling state special revenue account and \$5,350 would be distributed to local government.
5. In FY 2012, 19,294 video gambling machine permits were issued [16,328 permits first quarter + 1,084 permits second quarter + 827 permits third quarter + 1,055 permits fourth quarter = 19,294]. A change in the permit fee would result in an increase of approximately \$356,365 in the gambling state special revenue account collections for FY 2014 [(16,328 permits x \$20 increase) + (1,084 permits x \$15 increase) + (827 permits x \$10 increase) + (1,055 permits x \$5 increase) = \$356,365].
6. It is assumed all permitting levels will remain constant after FY 2014.
7. There is anticipated to be nominal additional workload as a result of the bill, and the DOJ estimates it could absorb any additional workload using existing staff.

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<u>Fiscal Impact:</u>				
<u>Revenues:</u>				
State Special Revenue (02)	<u>\$376,815</u>	<u>\$376,815</u>	<u>\$376,815</u>	<u>\$376,815</u>
TOTAL Revenues	<u>\$376,815</u>	<u>\$376,815</u>	<u>\$376,815</u>	<u>\$376,815</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$376,815	\$376,815	\$376,815	\$376,815

Effect on County or Other Local Revenues or Expenditures:

1. Passage of HB 141 would result in an increase in revenue of approximately \$5,350 for local government.

_____ <i>Sponsor's Initials</i>	_____ <i>Date</i>	_____ <i>Budget Director's Initials</i>	_____ <i>Date</i>
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