

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 985 would adopt the Nebraska Charitable Poker Act.

Technically, because the implementation of LB 985 is dependent on the passage of a constitutional amendment and only becomes operative upon such passage, there is no fiscal impact for the biennium.

Under the provisions of LB 985, the Department of Revenue is given the responsibility and authority to regulate charitable poker in the state.

The bill would permit nonprofit organizations or volunteer fire companies and similar organizations to hold up to four charity poker events per year. Such events could be held either on the organization’s own premises or by an event operator. A “charitable poker event” is defined as any gambling scheme in which participants pay or agree to pay something of value to play poker with an opportunity to win something of value. Individual losses are limited to \$1,000 per event.

The bill would require a licensed organization to remit a tax equal to 10 percent of the “definite profit” from each charitable poker event. “Definite profit” is defined as the “gross proceeds less all possible prizes.” The tax would be credited to the Charitable Gaming Operations Fund, 40 percent of which is retained by Charitable Gaming and 60 percent is then credited to the General Fund.

The bill also requires license fees which are issued on a biennial basis. Licenses are required for the organization, for a utilization-of-funds member, and for a charitable poker event operator. The license fees are to be credited to the Charitable Gaming Operations Fund. The Department is also given the authority to deny, suspend, or revoke licenses, levy fines, require reports, and adopt rules and regulations.

For Informational Purposes Only:

The Department of Revenue has provided the following fiscal information on LB 985:

Fiscal Year:	<u>FY10-11:</u>	<u>FY11-12:</u>	<u>FY12-13:</u>
Impact on Current Charitable Gaming:	(\$83,000)	(\$251,000)	(\$251,000)
10% Tax on Definite Profit:	\$164,000	\$493,000	\$503,000
License Fee:	\$ 20,000	\$ 41,000	\$ 20,000
Total:	\$101,000	\$283,000	\$272,000
Impact to General Fund:	\$ 49,000	\$145,000	\$151,000
Impact to Cash Fund:	\$ 52,000	\$138,000	\$121,000

The Department of Revenue’s cost to implement LB 985 includes 5 FTEs to support license processing, regulation, event inspection, and audit functions. Total expenditures are estimated at \$301,000, \$261,000, and \$266,000 for FY10-11, FY11-12, and FY12-13, respectively.