

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 2, 2003

TO: Honorable Kino Flores, Chair, House Committee on Licensing & Administrative Procedures

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2443 by Flores (Relating to the authorization of satellite bingo games.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2443, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings/ (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from Veterans' Cemetery System Trust Fund	Change in Number of State Employees from FY 2003
2004	\$79,339	(\$79,339)	\$1,175,348	3.5
2005	\$172,740	(\$172,740)	\$2,838,510	3.5
2006	\$177,546	(\$177,546)	\$2,833,704	3.5
2007	\$182,396	(\$182,396)	\$2,828,854	3.5
2008	\$187,473	(\$187,473)	\$2,823,777	3.5

Fiscal Analysis

The bill would amend the Bingo Enabling Act (Act) to allow satellite bingo games, where two or more licensed organizations conduct bingo for a common prize pool and a common selection of numbers or symbols. Satellite bingo would not be subject to the maximum prize per game of \$750, and the Texas Lottery Commission would be authorized to exempt satellite bingo from any provision of the Act if the commission determined that the exemption was necessary to facilitate the operation and administration of satellite bingo.

The bill would require monthly allocations by licensees to charities based on the ratio of satellite games conducted by each charity to the total number of satellite games conducted at the facility. Allocations to charities could be no less than 17.5 percent of gross receipts from satellite bingo

games.

The bill would create a new trust fund for the perpetual support and maintenance of a veterans' cemetery system and direct 10% of the prizes from satellite games (less the cost of regulation) to the new trust fund. Once the balance in the trust fund reached \$50 million, the revenue would be deposited to the General Revenue Fund.

The bill would take effect October 1, 2003.

This legislation would create a trust fund either within or outside of the Treasury. Legislative policy, implemented as Government Code 403.094, consolidated special funds (except those affected by constitutional, federal, or other restrictions) into the General Revenue Fund as of August 31, 1993 and eliminated all applicable statutory revenue dedications as of August 31, 1995. Each subsequent Legislature has reviewed bills that affect funds consolidation. The trust fund included in this bill would be subject to funds consolidation review by the current Legislature.

Methodology

The Lottery Commission estimates an annual increase in gross receipts from satellite bingo of \$54.8 million and a corresponding increase in prizes awarded of \$30.1 million. The Commission estimates the implementation of satellite bingo to take six months and would begin on April 1, 2004.

The Lottery Commission has estimated the need for an Auditor, a System Analysts, a Programmer and a part-time Information Specialist in order to implement the provisions of the bill.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 362 Texas Lottery Commission

LBB Staff: JK, JRO, RT