

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 23, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2519 by Flores (Relating to the regulation of bingo.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2519, Committee Report 2nd House, Substituted: a negative impact of (\$298,000) 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	(\$149,000)
2005	(\$149,000)
2006	(\$149,000)
2007	(\$149,000)
2008	(\$148,999)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2003
2004	\$50,539	(\$199,539)	3.0
2005	(\$92,356)	(\$56,644)	1.0
2006	(\$90,450)	(\$58,550)	1.0
2007	(\$88,478)	(\$60,522)	1.0
2008	(\$86,438)	(\$62,561)	1.0

Fiscal Analysis

The bill would exempt certain bingo equipment subject to the sales tax imposed by Chapter 151 of the Tax Code. The bill would also require the Lottery Commission to issue advisory opinions regarding compliance with bingo rules and regulations.

The bill would take effect September 1, 2003.

Methodology

The Lottery Commission estimates the need for three additional full-time-equivalent positions (FTEs)

in 2004 and one FTE each year thereafter to implement the provisions of the bill.

One FTE would be needed by the bingo legal division to prepare advisory opinions. An additional two informational technology FTE's would also be needed in 2004 to initiate, test and maintain programming support for implementing the provisions of the bill.

It is assumed the agency would adjust fees to offset any revenue loss or increased cost associated with the implementation of the bill.

The Comptroller estimates a loss to the General Revenue fund of \$149,000 per year due to the exemption of certain bingo equipment from sales tax imposed by Chapter 151 of the Tax Code.

Local Government Impact

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

Source Agencies: 362 Texas Lottery Commission

LBB Staff: JK, GO, RT