

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 1, 2005

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

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1138 by Flores (Relating to the operation and regulation of charitable bingo.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1138, As Introduced: a negative impact of (\$5,083,000) through the biennium ending August 31, 2007.

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
2006	(\$2,972,000)
2007	(\$2,111,000)
2008	(\$2,091,000)
2009	(\$2,076,000)
2010	(\$2,076,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from GENERAL REVENUE FUND 1
2006	(\$2,972,000)
2007	(\$2,111,000)
2008	(\$2,091,000)
2009	(\$2,076,000)
2010	(\$2,076,000)

Fiscal Analysis

The bill would amend various sections in Chapter 2001 of the Occupations Code relating to the operation and regulation of charitable bingo.

The bill would allow an applicant for a two-year bingo license to pay one-half of the license fee on the date the license application is due and pay the remaining one-half of the license fee on or before the date the second year of the license period begins.

The bill would exempt from the bingo prize fee assessment winning pull-tab tickets with a prize of five dollars or less.

The bill would take effect on September 1, 2005.

Methodology

Based on the analysis of the Comptroller of Public Accounts, it is assumed allowing two-year license renewal fees to be paid in two annual installments would reduce fiscal year 2006 license renewal receipts by an estimated \$826,000 because half of the fees that otherwise would be collected in that year would be collected the following fiscal year.

Based on the analysis of the Comptroller of Public Accounts and the Texas Lottery Commission, it is assumed the exemption from the prize fee assessment for winning pull-tab tickets with a prize of five dollars or less would result in an estimated reduction in prize fee revenue to the state of \$2,146,000 in fiscal year 2006; \$2,111,000 in fiscal year 2007; \$2,091,000 in fiscal year 2008; and \$2,076,000 in fiscal years 2009 and 2010.

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: JOB, JRO, MW, TG, KJG