



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 169

PRINTER'S NO: 1534

PRIME SPONSOR: Solobay

As amended by A06499

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Expenditure Increase/(Decrease):		
Commonwealth and Local Government Funds	See Analysis	See Analysis

OVERVIEW:

House Bill 169, as amended by A06499, amends the Local Option Small Games of Chance Act of 1988 (P.L. 1262, No. 156). A summary of the provisions of House Bill 169 is as follows:

- Allows eligible organizations to conduct more than one drawing per day.
- Allows for monthly drawings in addition to the current daily and weekly drawings.
- Allows 40% of proceeds from small games of chance to be used for general operating expenses as defined by this bill. Sixty percent of proceeds must be used for public interest purposes.
- Increases the maximum cash value which may be awarded for any single chance from \$500 to \$1,000.
- Increases the weekly limit awarded by an eligible organization from \$5,000 to \$25,000. Payouts of less than \$26 would not count toward weekly limit.
- Increases the maximum raffle award from \$500 to \$1,000 and allows for three special permits for raffles per year for eligible organizations.
- Allows for progressive games with a maximum cash value of \$5,000.
- Allows for an emergency services fundraiser drawing one time per year with a maximum award of \$50,000 for the purpose of raising funds to purchase emergency services equipment.
- Allows for the use of insured games.
- Requires eligible organizations to submit an annual report to the licensing authority, and requires organizations to keep a separate bank account to hold all proceeds of small games of chance. The bill also requires an organization to report prizes awarded to the Department of Revenue as required by the Tax Reform Code of 1971.
- Increases the issuance fees charged by a licensing authority from \$100 to \$300.
- Requires background checks of an organization's executive officer, secretary, treasurer, and other responsible persons upon application for a license.
- Allows for advertisement of prizes to members of eligible organizations and on the organization's premises.

ANALYSIS:

House Bill 169 mostly affects the restrictions placed upon private organizations. Such restrictions of the eligible organizations do not have an adverse fiscal impact on Commonwealth or local government funds.

This bill places a new responsibility for the Department of Revenue to develop a one-page form for organizations to file annual financial reports with the licensing authorities. It is assumed that the Department would be able to accomplish this within current budgetary restraints.

Additional requirements would be placed on local licensing authorities to receive financial reports. It is assumed that the increased licensing fees would be sufficient to compensate for any additional costs that might be incurred by the licensing authorities.

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*