



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 65

PRINTERS NO. 3424

PRIME SPONSOR: Schroder

INCREASED / (DECREASED) REVENUES

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$0
Property Tax Relief Fund	\$0	\$15,000,000

SUMMARY: House Bill 65, Printer's Number 3424, amends Title 4 (Amusements) providing for Internet gambling public awareness campaign; for revocation and auction of slot machine licenses; for Category 2 slot machine license; for number of slot machine licenses; for table games taxes; and for prohibition on use of State funds.

ANALYSIS: This legislation provides for the relocation of a revoked Category 2 slot machine license to any location in the Commonwealth and establishes procedures for the auction of any revoked license. Minimum bids for a Category 1 or 2 license is set at \$66.5 million and for a Category 3 license is set at \$12.5 million. The proceeds from the sale or auction of the slot machine license and table game operation certificate shall be deposited into the Property Tax Relief Fund.

Section 1410 is added providing that no money from any fund in the State Treasury may be used directly or indirectly by a Commonwealth agency for the relocation of a licensed facility and no Commonwealth agency shall provide state funds to any municipality for the purpose of relocation.

Section 1207.1 is added to the act creating an Internet gambling public awareness campaign. The board shall report to the General Assembly and the Governor no later than 18 months after the effective date on the activities and accomplishments of the public awareness program.

Current law provides that the table games tax rate is 14% of the daily gross table game revenue for a period of two years following commencement of table games operations at the facility. After two years of operation the tax rate drops to 12%. This legislation makes the 14% tax rate permanent and allocates 2% of the daily gross table game revenue to the Property Tax Relief Fund starting in FY 2012-13. The majority of the licensees commenced table games operations in July 2011 and the tax rate is scheduled to be reduced to 12% in July 2013.

The bill takes effect immediately.

FISCAL IMPACT: Enactment of this legislation will result in additional revenues from table games estimated to be \$15 million in 2012-13 as the tax rate on the gross daily table game revenue will remain at 14%. Because the majority of the licensees commenced table games operations in July 2011, the tax rate under current law is scheduled to be reduced to 12% in July 2013 for those licensees. The additional revenues will be deposited into the Property Tax Relief Fund and available for distributions to school districts with the 2013-14 allocation.

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House Appropriations Committee (R)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.