

HOUSE BILL 75

Introduced by J. Rice

1/03	Introduced
1/03	Fiscal Note Requested
1/03	Referred to Appropriations
1/07	First Reading
1/11	Fiscal Note Received
1/14	Fiscal Note Printed
1/25	Referred to Judiciary
2/07	Hearing
2/08	Tabled in Committee

## 1 HOUSE BILL NO. 75

2 INTRODUCED BY J. RICE

3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE

4 ON ADULT AND JUVENILE DETENTION

5  
6 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING A PORTION  
7 OF THE NET INCOME TAX ON VIDEO GAMBLING MACHINES TO FUND  
8 YOUTH DETENTION PROGRAMS; STATUTORILY APPROPRIATING THE  
9 FUNDS; AMENDING SECTION 23-5-610, MCA; AND PROVIDING AN  
10 EFFECTIVE DATE."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:13 **Section 1.** Section 23-5-610, MCA, is amended to read:14 **"23-5-610. Video gambling machine net income tax --**  
15 **records -- distribution -- quarterly statement and payment.**16 (1) An operator issued a permit under this part shall pay to  
17 the department a video gambling machine tax of 15% of net  
18 machine income from each video gambling machine licensed  
19 under this part.20 (2) An operator issued a permit under this part shall  
21 keep a record of net machine income in such the form as the  
22 department may require. The records must at all times during  
23 the business hours of the licensee be subject to inspection  
24 by the department.

25 (3) An operator issued a permit under this part shall,

1 within 15 days after the end of each quarter, complete and  
2 deliver to the department a statement showing the total net  
3 machine income from each video gambling machine licensed to  
4 him, together with the total amount due the state as video  
5 gambling machine net income tax for the preceding quarter.  
6 The statement must contain other relevant information as the  
7 department may require.

8 (4) (a) The department shall forward 3.67% of the net  
9 income tax collected under subsection (3) for deposit in the  
10 state special revenue fund to be used for the purpose of  
11 funding state grants to counties for youth detention  
12 programs as authorized in [section 8 of LC 66]. The amount  
13 deposited under this subsection is statutorily appropriated,  
14 as provided in 17-7-502, to the board of crime control.

15 ~~(a)~~(b) The department shall forward one-third of the  
16 remaining net income tax collected under subsection (3) to  
17 the general fund.

18 ~~(b)~~(c) The department shall forward the remaining  
19 ~~two-thirds-of-the net income~~ tax collected under subsection  
20 (3) to the treasurer of the county or the clerk, finance  
21 officer, or treasurer of the city or town in which the  
22 licensed machine is located, for deposit to the county or  
23 municipal treasury. Counties are not entitled to proceeds  
24 from taxes on income from video gambling machines located in  
25 incorporated cities and towns. The two-thirds local

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1 government portion of tax collected under subsection (3) is  
2 statutorily appropriated to the department, as provided in  
3 17-7-502, for deposit to the county or municipal treasury."

4 NEW SECTION. **Section 2.** Coordination instruction. If  
5 \_\_\_Bill No. \_\_\_ [LC 66] is not passed and approved, then  
6 [this act] is void.

7 NEW SECTION. **Section 3.** Effective date. [This act] is  
8 effective July 1, 1991.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0075, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act appropriating a portion of the net income tax on video gambling machines to fund youth detention programs; statutorily appropriating the funds; amending section 23-5-610, MCA; and providing an effective date.

ASSUMPTIONS:

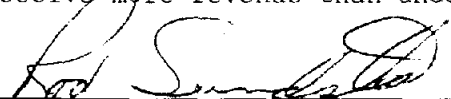
1. The projected net revenues from the taxes on video gambling machines is \$17,641,000 in FY92 and \$18,523,000 in FY93.
2. Section 1 of HB0075 will amend 23-5-610, MCA, to earmark 3.67% of the net revenues from video gambling taxes to fund state grants to counties for youth detention programs.

FISCAL IMPACT:VIDEO GAMBLING TAXES

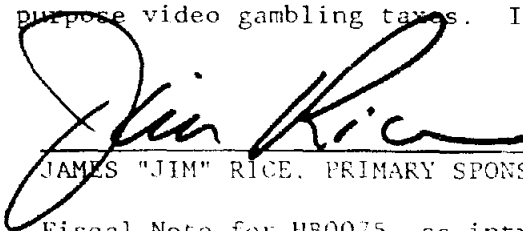
	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Revenues:</u>						
General Fund	5,880,275	5,664,468	(215,807)	6,174,272	5,947,676	(226,596)
Cities & Counties	11,760,725	11,329,107	(431,618)	12,348,728	11,895,530	(453,198)
Counties (for youth detention)	0	647,425	647,425	0	679,794	679,794
Total	17,641,000	17,641,000	0	18,523,000	18,523,000	0
<u>Funding:</u>						
General Fund (01)	5,880,275	5,664,468	(215,807)	6,174,272	5,947,676	(226,596)
Cities & Counties	11,760,725	11,329,107	(431,618)	12,348,728	11,895,530	(453,198)
State Special (02)	0	647,425	647,425	0	679,794	679,794
Total	17,641,000	17,641,000	0	18,523,000	18,523,000	0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Currently two-thirds of video gambling taxes are transferred to cities and counties in which the licensed machine is located for general purposes. The proposal would cause a 3.67% reduction in the amount of general purpose revenue transferred to local governments as shown in the table above. Counties with eligible youth detention programs may receive earmarked youth treatment revenues that may offset or exceed the loss in general purpose video gambling taxes. In total, local governments will receive more revenue than under current law.

  
 ROD SUNDSTED, BUDGET DIRECTOR  
 Office of Budget and Program Planning

1-10-91  
 DATE

  
 JAMES "JIM" RICE, PRIMARY SPONSOR

DATE

Fiscal Note for HB0075, as introduced.

**HB75**