

1 *Full* *Sandra* BILL NO. 299
 2 INTRODUCED BY *Groshell* *Ever* *McCon* *BH Baumbach*
 3 *Carly* *Hayes* *Raney* *Hurdle* *Harjose* *Thomas*

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DEPOSIT OF THE VIDEO GAMBLING
 5 MACHINE GROSS INCOME TAX IN THE GENERAL FUND; PROVIDING FOR REIMBURSEMENT TO LOCAL
 6 GOVERNMENTS AT THE LEVEL RECEIVED IN 1996; AMENDING SECTION 23-5-610, MCA; AND
 7 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."
 8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 10

11 **Section 1.** Section 23-5-610, MCA, is amended to read:

12 **"23-5-610. Video gambling machine gross income tax -- records -- distribution -- quarterly**
 13 **statement and payment.** (1) A licensed operator issued a permit under this part shall pay to the department
 14 a video gambling machine tax of 15% of the gross income from each video gambling machine licensed
 15 under this part. A licensed operator may deduct from the gross income amounts equal to amounts stolen
 16 from machines if the amounts stolen are not repaid by insurance or under a court order, if a law
 17 enforcement agency investigated the theft, and if the theft is the result of either unauthorized entry and
 18 physical removal of the money from the machines or of machine tampering and the amounts stolen are
 19 documented.

20 (2) A licensed operator issued a permit under this part shall keep a record of the gross income from
 21 each machine in the form the department requires. The records must at all times during the business hours
 22 of the licensee be subject to inspection by the department.

23 (3) A licensed operator issued a permit under this part shall, within 15 days after the end of each
 24 quarter, complete and deliver to the department a statement showing the total gross income from each
 25 video gambling machine licensed to the operator, together with the total amount due the state as video
 26 gambling machine gross income tax for the preceding quarter. The statement must contain other relevant
 27 information that the department requires.

28 (4) (a) The department shall, in accordance with the provisions of 15-1-501, forward ~~one-third~~ of
 29 the tax collected under subsection (3) to the state general fund.

30 (b) The department shall, ~~in accordance with the provisions of 15-1-501, forward the remaining~~



1 ~~two-thirds~~ notify the state treasurer of the amount of the tax collected under subsection (3) distributed
2 during 1996 to the treasurer of the county or the clerk, finance officer, or treasurer of the city or town in
3 which the licensed machine is located, ~~for deposit to the county or municipal treasury. Counties are not~~
4 ~~entitled to proceeds from taxes on income from video gambling machines located in incorporated cities and~~
5 ~~towns.~~ The state treasurer shall transfer from the general fund to the pass-through account provided for
6 in subsection (5), one-fourth of the total amount of video gambling machine tax paid to local governments
7 in 1996.

8 (5) Each quarter the state treasurer shall distribute from the pass-through account to the treasurer
9 of each county, city, town, and consolidated government one-fourth of the amount of video gambling
10 machine tax paid to that jurisdiction in 1996. The ~~two-thirds~~ local government portion of tax collected under
11 ~~subsection (3) distribution under this subsection~~ is statutorily appropriated to the department as provided
12 in 17-7-502 for ~~deposit payment to the county or municipal treasury~~ local government."

13

14 NEW SECTION. Section 2. Retroactive applicability. [This act] applies retroactively, within the
15 meaning of 1-2-109, to January 1, 1997.

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17 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

18

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0299 as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing for the deposit of the video gambling machine gross income tax in the general fund; providing for reimbursement to local governments at the level received in 1996.

ASSUMPTIONS:

1. All growth in the tax would go to the general fund after 1996.
2. There would be no change in the number of machines permitted by location operators as a result SB 299.
3. Reported gross income would be consistent with amounts projected by the Revenue Oversight Committee which reflects a 4% growth.
4. Costs associated with the implementation of SB 299 would include computer programming time that can be absorbed by the current level budget as presented in the Governor's Executive Budget.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Revenue:</u>	<u>Difference</u>	<u>Difference</u>
General Fund(01)	1,635,333	2,476,667

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local governments currently receive 2/3 of the video gambling machine tax. Freezing local government distribution at fiscal 1996 actual amounts, not a fraction of the total, means that all of the growth in the video gambling machine tax revenue projected for the biennium would be distributed to the state general fund.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

A greater share of the video gambling machine tax would be distributed to the state general fund.

Dave Lewis 2-13-97

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Lorents Grosfield

LORENTS GROSFIELD, PRIMARY SPONSOR DATE

Fiscal Note for SB0299, as introduced

SB 299