

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 77
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB77-DOR-TAX-03-1921
Title: USE OF INTERNET FOR CHARITABLE GAMING
Sponsor: LABOR & COMMERCE
Requester: (S) State Affairs

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2022 Request	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

None	***		***	***	***	***	***	***
Total	***	0.0	***	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2022) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/21**

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division: <u>Tax Division</u>	Date: <u>03/19/2021</u>
Approved By: <u>Brian Fechter, Administrative Services Director</u>	Date: <u>03/19/21</u>
Agency: <u>Department of Revenue</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 77

Analysis

Background

This bill would allow for certain charitable gaming activities to be conducted online. Current statute, AS 05.15.640, disallows the use of broadcasting and the internet to conduct a charitable gaming activity. This bill amends AS 05.15.640 to allow the following gaming activities to be conducted using the Internet: raffle or lottery, dog mushers' contest, derby, or type of classic defined in AS 05.15.690.

The Department would need to establish standards for online tickets sales to ensure compliance with charitable gaming laws. This includes standards for age and location verification to ensure the purchaser is of legal age and within the State. There would also need to be guidelines for data security to ensure that the online ticket sales were authorized. These would need to be in place before the legislation takes place, which would be 90 days after passage, since there is no effective date stated in the bill.

Revenue Impact

The revenue impacts of this bill cannot be determined due to not knowing how this legislation may change the amount and volume of gaming activity.

It is possible that by allowing these games to be conducted online, that there may be an increase of gaming activities. The potential incremental impact to state revenues is insignificant. The amount of net proceeds and permit fees from all charitable gaming activities to state revenue is ~\$500,000 per year.

Implementation Cost

There is no change to our Tax Revenue Management System (TRMS). The Department of Revenue can implement this legislation with existing resources and does not anticipate any continuing costs or additional staff needs.