

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSHB 200(L&C)
Fiscal Note Number:	2
(H) Publish Date:	4/1/2024

Identifier: HB200-DOR-TAX-02-09-24
 Title: GAMING; ELECTRONIC PULL-TABS
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: (H) LABOR AND COMMERCE

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)

	FY2025	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2025 Request	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	225.3		225.3	225.3	225.3	225.3	225.3	225.3
Travel	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Services	28.8		28.8	28.8	28.8	28.8	28.8	28.8
Commodities	28.2		0.2	0.2	0.2	0.2	0.2	1.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	284.3	0.0	256.3	256.3	256.3	256.3	256.3	257.6

Fund Source (Operating Only)

1004 Gen Fund (UGF)	284.3		256.3	256.3	256.3	256.3	256.3	257.6
Total	284.3	0.0	256.3	256.3	256.3	256.3	256.3	257.6

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Part-time								
Temporary								

Change in Revenues

1004 Gen Fund (UGF)			1,000.0	2,100.0	2,500.0	2,800.0	3,000.0
Total	0.0	0.0	1,000.0	2,100.0	2,500.0	2,800.0	3,000.0

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) 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 If yes, by what date are the regulations to be adopted, amended or repealed? **06/30/25**

Why this fiscal note differs from previous version/comments:

Updated from SLA2023 to SLA2024 fiscal note template. Fiscal analysis has been completed and estimated revenue impact is reflected in this version of the note. Cost impact has also been analyzed and additional resources needed have been determined. This version adds two personnel and related staffing costs and determines that programming costs will be absorbed.

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Division:	Tax Division	Date:	01/16/2024 05:30 PM
Approved By:	Eric DeMoulin, Administrative Services Director	Date:	02/09/24
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

Analysis

Background Information

This bill would allow pull-tab games to be expanded from traditional paper pull-tabs to include electronic pull-tabs or e-tabs. Current statute, AS 05.15.690(38) defines a "pull-tab game" as a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random. The language of this bill would expand to include "electronic pull-tab systems" under new AS 05.15.690(50).

This bill also increases the prize limits for permittees who contract with an operator from a maximum of \$500,000 in prizes each year to a maximum of \$2,000,000 in prizes each year for electronic pull-tab activities and a maximum of \$1,000,000 in prizes each year for other gaming activities.

This bill provides some unique limitations for electronic pull tab systems that the paper pull-tab games do not have:

1. A series may not exceed 15,000 tickets.
2. A Vendor may not have more than five electronic pull tab devices on premises.
3. An Operator may not have more than 10 electronic pull tab devices on premises.

Note: There is no limit for the number of electronic pull tab devices for permittees.

The Department would need to establish regulations to ensure the quality and data security of the devices used for electronic pull-tabs.

Revenue Impact

The analysis indicates that expanding gaming to e-tabs would generate additional revenue. The analysis used five other states that have implemented e-tabs, and have available data, to prepare scenarios of how pull tab sales will increase with e-tabs in Alaska. Using an average of the other five states, the department estimates \$1,000,000 of additional state revenue in the first full year of implementation (FY26) increasing to \$3,000,000 by FY30. The department assumes no impacts in FY25 due to an assumed year-long implementation process.

This estimated revenue is one option in a wide range of uncertainty. Below is the high and low cases of the analysis to demonstrate the possible range of outcomes.

Possible Alaska Additional Revenue from Adding E-Tabs (\$ millions)					
FY	2026	2027	2028	2029	2030
Low Case Scenario	\$0.3	\$0.7	\$1.1	\$1.8	\$1.8
Average	\$1.0	\$2.1	\$2.5	\$2.8	\$3.0
High Case Scenario	\$1.4	\$2.9	\$4.4	\$5.3	\$5.5

Implementation Cost

The Charitable Gaming group is a very small group within the Tax Division. This bill would create an added burden on the group that would be beyond their current capacity to meet. In order to provide adequate service and enforcement, the Division would need to add two Tax Auditor positions to support the Charitable Gaming Group.

Additionally, this legislation would require the Department to make changes to its Tax Revenue Management System ("TRMS"). Resources required to implement this bill would include staff time to updated forms, TRMS, and Revenue Online, and other miscellaneous costs. These costs will be absorbed by the Tax Division using existing resources.