

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1921 – HB 1840

February 25, 2014

**SUMMARY OF ORIGINAL BILL:** Revises certain provisions of the Tennessee Charitable Gaming Implementation Law pertaining to filing dates, fee structure, and accounting; changes the application deadline for annual gaming events from December 31 to January 31; requires organizations that apply to hold gaming events to be properly registered or exempt from annual registration under the Charitable Solicitations Act; removes obsolete date provisions and corrects a technical error related to financial accounting; creates one application for all events, regardless of revenue, and eliminates duplicative information for the Division of Charitable Organizations; creates a \$25 per month fee for financial reports that are filed late; clarifies when a form 990 is required to be filed by the applicant; clarifies that tickets can only be sold at one price; clarifies that if an event raises more money than is projected at the time of application, the organization shall submit the additional fee contemporaneously with the financial accounting report.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$5,400/Secretary of State

**SUMMARY OF AMENDMENT (013042):** Allows tickets, shares, chances or other similar records to be sold at a single price or any different value levels or tiers. Requires written or electronic record of each sale if tickets, shares, chances or other similar records are sold at different value levels or tiers. If a different value level or tiered pricing annual event is cancelled, any refund shall be for either the actual amount received by the organization as evinced by the record of each sale or, if such record is lost or destroyed, the highest value level or tiered price charged on a per ticket, share, chance or other similar record basis.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- According to the Secretary of State (SOS), if the application period is extended pursuant to the bill, approximately 15 organizations will apply to conduct an annual gaming event.

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- SOS estimates an average application fee of \$300.
- SOS indicates that application fee revenue will be allocated to the Charitable Solicitations and Gaming Division of SOS.
- The annual increase in state revenue to the SOS is estimated to be \$4,500 (15 organizations x \$300 application fee).
- Based on information provided by the SOS, approximately 18 organizations each year file their financial reports an average of two months late. As a result, the recurring late fee revenue is estimated to be \$900 (18 organizations x \$25 fee x 2 months).

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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