

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 924 - HB 1159

February 18, 2017

SUMMARY OF BILL: Broadens the definition of “nonprofit organization” for purposes of the Tennessee Nonprofit Gaming Law, to include certain 501(c)(3) organizations that have been in continuous and active existence in Tennessee for three years immediately preceding the event date listed in an annual event application and that meet other certain specified criteria.

ESTIMATED FISCAL IMPACT:

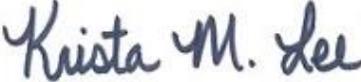
Increase State Revenue - \$2,300/Division of Charitable Solicitations

Assumptions:

- Nonprofit entities seeking to conduct an annual charitable gaming event must file an event application with the Department of State (DOS); nonprofits are prohibited from operating more than one annual event within a 12 month period, pursuant to Tenn. Code Ann. § 3-17-103.
- Pursuant to Tenn. Code Ann. § 3-17-104, a nonrefundable application fee shall be paid at the time of submission of an annual event application, with such fees reverting to the Division of Charitable Solicitations and utilized by the DOS and Tennessee Bureau of Investigation to defray the costs of administering the Tennessee Nonprofit Gaming Law.
- Application fees range from \$150 to \$600 per application and are based on the estimated gross revenue to be collected at the charitable gaming event.
- An application fee of \$150 is applied for events estimating a gross revenue collection up to \$5,000; \$300 for estimated revenues ranging from \$5,001 to \$10,000; \$450 for estimated revenues ranging from \$10,001 to \$20,000; and \$600 for estimated revenues greater than \$20,000.
- Approximately five nonprofit organizations that were ineligible to apply to hold a charitable gaming event will now apply as a direct result of this bill and each nonprofit will estimate a gross revenue collection between \$10,001 and \$20,000.
- New applications for annual charitable events will result in an estimated recurring increase in state revenue of \$2,250 (5 applications x \$450 per application).

CERTIFICATION:

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

Handwritten signature of Krista M. Lee in black ink.

Krista M. Lee, Executive Director

/jrh